

BenefitsBCLP

## REMINDER: HURRY! OPPORTUNITY FOR POSSIBLE REFUND OF FICA TAXES ENDS SOON!

Apr 10, 2013

As noted in our blog entry on October 16, 2012, under the Sixth Circuit's discussion in U.S. v. Quality Stores, severance payments made because of an employee's involuntary separation resulting from a reduction-in-force or discontinuance of a plant or operation are not subject to FICA taxes. This holding is contrary to a prior decision of the Federal Circuit Court of Appeals and published IRS guidance. The government has until May 3 to appeal the case to the Supreme Court. Until a final decision in this case has been rendered, taxpayers that have made severance payments in 2009 should file a protective claim for a FICA tax refund ***no later than April 15, 2013***. This protective claim will preserve the taxpayer's right to a refund should the IRS not appeal the decision or should the decision be upheld on appeal.

## MEET THE TEAM



**Steven G. Schaffer**

Atlanta

[steven.schaffer@bclplaw.com](mailto:steven.schaffer@bclplaw.com)

[+1 404 572 6830](tel:+14045726830)

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