

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



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