

BenefitsBCLP

## **DON'T MISS THE APRIL 15TH DEADLINE TO FILE A PROTECTIVE REFUND CLAIM FOR 2010 FICA TAX!**

Jan 30, 2014

As you may recall from our [earlier post](#), the 6th Circuit held in *U.S. v. Quality Stores*, that severance payments made to employees in connection with an involuntary reduction in force were not “wages” subject to FICA taxes. This decision was contrary to published IRS guidance and created a split in the courts. In October of last year, the United States Supreme Court agreed to review the case and on January 14th, it heard oral arguments. The Supreme Court is expected to issue a ruling by the end of June.

Taxpayers may be entitled to a FICA tax refund if the decision is upheld by the Supreme Court on appeal. In order to preserve the right to a refund, taxpayers must file a protective claim before the applicable statute of limitations runs. As we previously reported in a [post last year](#), the deadline to file a protective order for severance payments made in 2009 was April 15, 2013. At this time, the deadline to file a protective claim for 2010 severance payments is quickly approaching on April 15, 2014. We encourage any employer who made involuntary severance payments in 2010 to consider filing a protective claim now on Form 941-x in order to preserve the right to a refund if the 6th Circuit decision is upheld.

## MEET THE TEAM



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