

NEW YORK CITY HEALTH & HOSPITALS CORPORATION

Corporate Payroll Systems Department • 160 Water Street, 6th Floor • New York, New York 10038

!! CLAIM UPDATE !!

August / September 2013

In late April / early May, HHC sent out the refund and interest payments to the qualifying former Medical Residents from whom we received a completed and signed consent form before the February 28, 2011 submission deadline. This represents the refund and interest payments that HHC has received to date from the IRS. The IRS has not yet completed its distribution to HHC of the approved refund and interest payments for the years 1997-2000 and we do not have a specific date as to when the IRS will send the outstanding payments. When the outstanding payments are received, HHC will distribute the second batch of checks to qualifying former Medical Residents who have an additional refund amount due for those years.

If you are a former Medical Resident and you returned the signed consent form by the February 28, 2011 deadline and have not yet received a check, please contact us via telephone (646-458-2708) or email (mrficarefund@nychhc.org).

If you did receive a check but it was forwarded to you due to an incorrect address or if your address has or does change subsequently, please send us your updated address along with your phone number (in case we have any questions) to mrficarefund@nychhc.org. We will need a current address to mail your 2013 Form 1099's for income tax purposes and so we can inform you of any future updates or developments with the FICA refunds.

If you were a former Medical Resident at HHC and did not return a signed consent form and therefore, we were unable to claim the refund for you, you may want to pursue the refund directly with the IRS. However, please send us your updated address along with your phone number (in case we have any questions) to mrficarefund@nychhc.org so that we can contact you in case there are any future developments, IRS updates, or any important information we need to communicate to you.

!! Background and Contact Information !!

POSSIBLE FICA REFUNDS FOR MEDICAL RESIDENTS:

In March 2010, the IRS announced that it had made an administrative determination to accept the position that medical residents are, under certain circumstances, excepted from FICA taxes based on the student exception for tax periods before April 1, 2005, when new IRS regulations went into effect.

In a letter dated July 8, 2010, the IRS informed HHC it would consider medical resident FICA refund claims from HHC for the tax periods January 1, 1997 through December 31, 2000 and January 1, 2002 through March 31, 2005. Once submitted, the IRS will determine HHC's eligibility for refund, verify the amount of the claim(s), and only then begin issuing refunds. Be advised that medical resident refund claims will be subject to multiple levels of IRS regulations and review and HHC has not received any assurances from the IRS that HHC or its medical residents are eligible for such a refund. Therefore, it is possible that the claim may not be approved by the IRS.

The New York City Health & Hospitals Corporation (HHC) is in the process of perfecting claims for refunds of the FICA taxes withheld and paid on wages earned for services performed by its medical residents for the above tax periods. The claims are referred to as Medical Resident FICA Refund Claims (or MR Claims).

HHC cannot submit a refund claim of the FICA taxes that were withheld from a medical resident unless he/she provides HHC written consent to do so. If the current/former medical resident does not authorize

HHC to claim a refund on their behalf, he/she may be precluded from receiving any refund of the FICA taxes withheld from their HHC paychecks because the time period for filing an individual claim for refund with the IRS may have expired.

In order for eligible medical residents to consent to have HHC claim a refund on their behalf, they must complete the HHC Medical Residents FICA Refund Consent Form and return the completed and signed original to HHC at the address shown at the bottom of the consent form. **HHC Medical Residents FICA Refund Consent Forms must be received no later than 5 p.m. February 28, 2011 to be included in HHC's claim.**

If a current/former medical resident has already claimed and received a refund or credit for FICA taxes that were withheld from their medical resident wages, or if he/she filed an individual refund claim for such FICA taxes and that claim is still pending with the IRS, then HHC will not be able to file the MR claim for the year(s) that they received a refund or credit or have a pending refund claim. This restriction does not apply if he/she filed a refund claim and it was rejected by the IRS.

Consent forms were mailed to all eligible HHC current and former medical residents beginning in September, 2010. Consent forms were mailed to the address on HHC's employee database unless an updated address was provided by Residency Program Directors. Additional mailings were made as updated address information was obtained.