

RESPONSE DUE



Re: Medical Resident FICA Refund Claims

Dear Sir or Madam,

Our records indicate that you participated in a medical residency program at Louisiana State University Health Sciences Center, and Federal Insurance Contributions Act ("FICA") taxes for social security and Medicare were paid with respect to your wages from the residency program for services performed prior to April 1, 2005. As such, you may be eligible for a refund of such FICA taxes, together with statutory interest. This correspondence provides guidance on how you may participate in the FICA refund claim process.

For several years there has been a dispute between teaching hospitals and the Internal Revenue Service ("IRS") as to whether FICA taxes must be paid with respect to wages earned by medical residents. On March 2, 2010, the IRS announced it would honor medical resident FICA refund claims for services performed for tax periods ending before April 1, 2005 ("MR claims"). Accordingly, Louisiana State University Health Sciences Center will be filing refund claims.

After we file our MR claim(s), the IRS will verify the amount of the MR claim(s) and begin issuing refunds. We cannot receive a refund of the FICA taxes that were withheld and paid on your behalf unless we have your written consent. If you do not consent to have Louisiana State University Health Sciences Center obtain your refund, you may be precluded from receiving any refund of the FICA taxes withheld and paid on your behalf because the time period for filing an individual claim for refund with the IRS may have expired.

If you consent, Louisiana State University Health Sciences Center will pay you your FICA tax refund, plus statutory interest if applicable, after we receive the refund from the IRS. The FICA tax refund is not taxable; however, any applicable interest on the refund is taxable to you whether or not you receive a Form 1099-INT, Interest Income. Louisiana State University Health Sciences Center is required to file Form 1099-INT with the IRS and furnish a copy to you if we pay you interest of \$600 or more in a calendar year.

In addition, Louisiana State University Health Sciences Center will file Form W-2c, *Corrected Wage and Tax Statement*, with the Social Security Administration (SSA), and furnish a copy to you for each tax year for which you receive a refund of FICA taxes. In most cases, Form W-2c will show a reduction in your earnings for social security coverage purposes in an amount equal to all the wages you were paid for services performed as a medical resident. Social security benefits are based on your earnings over your working lifetime. Accordingly, based on your personal circumstances, a refund could have a detrimental effect upon disability, survivors, or retirement benefits that you, or your family, are receiving or may seek to receive in the future. If you want information about the effect on your social security benefits, you should contact SSA directly at 1-800-772-1213 (toll free).

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If you call or visit a Social Security office, please have this letter with you. It will help SSA answer your questions. You might want to review your social security record before and after your refund has been processed. You can use your current Social Security Statement or you can request a copy of your Social Security Statement at the following link: <http://www.ssa.gov/mystatement>.

To consent to receive your share of the refund from Louisiana State University Health Sciences Center, you must complete the enclosed Employee Consent Form and return it to the address listed on the consent form. Your consent form must be postmarked no later than February 18, 2011. **Please note that this consent form supersedes any previous consent form that you may have provided to us.**

If you have already claimed and received a refund or credit for FICA taxes that were withheld from medical resident wages, or if you filed an individual refund claim for such FICA taxes and that claim is still pending with the IRS, then we will not be able to file your MR claim for the year(s) that you received a refund or credit or have a pending refund claim. This restriction does not apply if you filed a refund claim and it was rejected by the IRS. If your **individual** refund claim was allowed for some, but not all years, we can file your MR claims for only those years when the claim was denied; check “Yes” for the years you are eligible and “No” for the years you are not eligible on the enclosed form.

If you consent to be part of Louisiana State University Health Sciences Center MR claim and the IRS determines that you are ineligible for a refund because you already received a refund based on an individual claim you filed, the IRS will not refund your share to us and this information may be disclosed to us.

No timeframe has been established by the IRS for when they will issue refunds. It could take a considerable period of time. Further, it is possible that the IRS may reject particular claims. We will notify you after we know the amount of the refund that you will receive.

KPMG LLP has been engaged to assist us in filing the MR claims. If you have any questions about this letter or the status of the refund claim, please contact KPMG LLP by email at:

us-atltaxetslsumrref@kpmg.com

Your message will be responded to within 24 hours.

Very truly yours,

Terry Ullrich

Terry Ullrich,
Assistant Vice Chancellor for Administration and Finance

FICA REFUND CLAIM RESIDENT CONSENT FORM

Social Security Number: _____

Employee Full Name: _____
Last First MI Suffix

Prior Name: _____
If you changed your name because of marriage, divorce etc., enter the name used while you were a resident at LSU.

Address: _____
Number and Street City State Zip Code

Note: If you have a foreign address, enter the information in the following order: city, province or state and country. Follow the country's practice for entering the postal code. Please do not abbreviate the country name.

E-Mail: _____

Phone Number: _____

For each year Shown, check "Yes" if you authorize LSU to collect the refund on your behalf, or "No" if you do not authorize LSU to collect the refund on your behalf, or if you are not eligible for a refund that year.

1995	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	1996	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
1997	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	1998	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
1999	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	2000	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
2001	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	2002	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
2003	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>					
Q1 of 2004	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>					
Q1 of 2005	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>					

For each year I checked "Yes" Above:

- I have not claimed and will not claim a refund or credit from the IRS for any over collected FICA taxes from wages paid for services performed as a medical resident, or if I have, the claim was rejected.
- I did not receive a FICA tax refund or credit because of earning in excess of the social security wage base on my Federal income tax return (e.g., Form 1040).
- I understand that my Social Security earnings record will be corrected to reflect zero wages earned as a resident for tax periods for which I received a refund. I understand that removing these wages could affect my eligibility for or the amount of future Social Security benefits.
- I give my consent to LSU to file a Medical Resident FICA Refund Claim on my behalf for refunds of FICA taxes that LSU withheld from my wages for services I performed as a medical resident.

Sign Here: _____ **Date:** _____

Return form, by February 18, 2011, to:

**KPMG, LLP
PO Box 56364
Atlanta, GA 30343**