



## **IRS To Honor Medical Resident FICA Refund Claims**

*March 2, 2010*

The Internal Revenue Service (IRS) announced today that it has made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect. The announcement paves the way for health care organizations that have paid and withheld covered FICA contributions with respect to medical residents and the affected medical residents who had those amounts deducted from wages before the change in the student exemption to seek a refund.

According to the March 2, 2010 IRS Newswire, the IRS will, within 90 days, begin contacting hospitals, universities and medical residents who filed FICA (Social Security and Medicare tax) refund claims for these periods with more information and procedures. Employers and individuals with pending claims do not need to take any action although not yet posted as of the release of this update, an official copy of IR-2010-025 is expected to be posted [here](#) soon.

### **For Assistance With Compliance Or Other Concerns**

If your organization needs advice or assistance in responding to this guidance or with other health care matters, consider contacting the author of this article, Curran Tomko Tarski LLP Partner Cynthia Marcotte Stamer at (214) 270-2402 or via e-mail [here](#).

Ms. Stamer is nationally known for her work, training and presentations, and publications on health and managed care staffing, employment, regulatory, tax and other operations, risk management and compliance matters.

Vice President of the North Texas Health Care Compliance Professionals Association, Past Chair of the ABA Health Law Section Managed Care & Insurance Section and the former Board Compliance Chair of the National Kidney Foundation of North Texas, Ms. Stamer has more than 22 years experience advising health industry clients about these and other matters. A popular lecturer and widely published author on health industry and human resources matters, Ms. Stamer continuously advises health industry clients about these and other related concerns. Ms. Stamer also publishes and speaks extensively on health and managed care industry regulatory, staffing and human resources, compensation and benefits, and other operations and risk management concerns. Her insights on these and other related matters appear in the Health Care Compliance Association, Atlantic Information Service, Bureau of National Affairs, World At Work, The Wall Street Journal, Business Insurance, the Dallas Morning News, Modern Health Care, Managed Healthcare, Health Leaders, and a many other national and local publications. For additional information about Ms. Stamer, her experience, involvements, programs or publications, see [here](#).

### **Other Recent Developments**

If you found this information of interest, you also may be interested in information about upcoming programs to be presented by Ms. Stamer, acquiring a copy of a recording or materials from previous programs she has presented, or arranging training for your organization. For more information about these opportunities, contact Ms. Stamer directly.

If you found this information of interest, you also may be interested in reviewing some of the following recent Updates available online by clicking on the article title:

- [Stamer Speaks To Chiefs of Staff About JCAHO Physician Performance Evaluation Requirements](#)
- [HIPAA Heats Up: HITECH Act Changes Take Effect & OCR Begins Posting Names, Other Details Of Unsecured PHI Breach Reports On Website](#)
- [HHS Delays 2010 HHS Federal Poverty Rate Update To March 1, 2010](#)
- [Rising Enforcement and Changing Rules Require Prompt Review & Update of Health Plan Privacy & Data Security Policies & Procedures](#)
- [Pfizer To Pay \\$2.3 Billion For Fraudulent Marketing In Largest DOJ Health Care Fraud Settlement](#)
- [Maximum Penalty For Patient Protection Act Confidentiality Breaches To Rise To \\$11,000](#)
- [HHS Delays 2010 HHS Federal Poverty Rate Update To March 1, 2010](#)
- [OIG Special Fraud Alert Targets DME Telemarketing](#)
- [Federal HEAT & Other Federal Health Care Fraud Efforts Score More Than 15 Successes As OIG Claims \\$20.97 Billion Saved From Enforcement Activities In December](#)
- [HEAT Initiative Snares Health Fraud Related Guilty Pleas of Physical Therapist, Money Launderer and Patient Recruiter In Detroit](#)
- [Medicare Paid Physicians More Than \\$92 Million in Incentives for 2008 Under the Physician Quality Reporting Initiative](#)
- [OIG Review of High-Dollar Medicare Part D Payments Processed by First Coast Service Options, Inc. Shows Overpayments](#)
- [Renal Dialysis Faculties Encouraged to Review Current Protocols for Administering Erythropoiesis-Stimulating Agents](#)
- [CMS Publishes Updated FY 2010 Inpatient Rehabilitation Facility Prospective Payment System Final Rule](#)
- [HHS Hiring to Expand its Health Information Enforcement Team Again](#)
- [Reassignment of HIPAA Security Rule Enforcement Signals Growing Seriousness About Enforcing HIPAA](#)

### **For More Information**

We hope that this information is useful to you. If you need assistance with auditing or defending these or other health care compliance, risk management, transaction or operation concerns, please contact the author of this update, Curran Tomko Tarski LLP Health Practice Group Chair, Cynthia Marcotte Stamer, at (214) 270-2402, [cstamer@ctllegal.com](mailto:cstamer@ctllegal.com), Edwin J. Tomko at (214) 270-1405 or another Curran Tomko Tarski LLP Partner of your choice. Ms. Stamer has extensive experience advising clients and writes and speaks extensively on these and other health industry and other internal controls and risk management matters.

You can review other recent health care and internal controls resources and additional information about the health industry and other experience of Ms. Stamer [here](#). If you or someone else you know would like to receive future updates about developments on these and other concerns, please be sure that we have your current contact information – including your preferred e-mail – by creating or updating your profile at [here](#) or e-mailing this information to [cstamer@ctllegal.com](mailto:cstamer@ctllegal.com).

If you or someone else you know would like to receive future updates about developments on these and other concerns, please be sure that we have your current contact information – including your preferred e-mail – by creating or updating your profile at [here](#) or e-mailing this information [here](#). To unsubscribe, e-mail [here](#).

