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File for Federal Insurance Contributions Act (FICA) Tax Refunds Before April 15

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As previously reported ([click here](#)), the payment of certain severance benefits may be exempt from FICA taxes. Under the Sixth Circuit's decision in *Quality Stores* ([click here](#)), severance pay made in connection with an involuntary separation from employment due to a reduction in force, plant shutdown or similar condition ("supplemental unemployment compensation benefits") are not subject to FICA taxes. The request by the IRS for an en banc review of the *Quality Stores* decision was denied by the Sixth Circuit last month.

Currently, the IRS is refusing refund claims outside the Sixth Circuit. Nevertheless, such clients should consider filing a protective claim with the IRS for a refund of FICA taxes previously paid. The filing of a claim will extend the period of time for which FICA taxes paid on such severance could be recovered, should the Supreme Court eventually rule against the IRS.

The deadline for filing a protective claim for severance benefits paid in 2009 is April 15, 2013.

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