

Taxpayer Name _____ Taxpayer Social Security Number _____



DEXTER COMMUNITY SCHOOLS

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June 24, 2021

To: Employees of Dexter Community Schools during 2012 and 2013 calendar years

RE: Dexter Community Schools (EIN 38-6007821)
IRS W-2c for 2012 and/or 2013 calendar years

Background

The Michigan Public School Employees Retirement System (MPERS) Act was amended effective September 4, 2012 (2012 PA 300) to require eligible public school employees to contribute 3 percent of their compensation to an irrevocable trust for retiree health benefits (the “3% retiree healthcare contribution”) to be enrolled in the MPERS health premium subsidy. Since 2012, the Internal Revenue Service (IRS) has treated these 3% retiree healthcare contributions for federal income and FICA taxes purposes in an inconsistent manner. In an effort to obtain a system-wide determination from the IRS, the IRS Commissioner has agreed to enter into a Closing Agreement on Final Determination Covering Specific Matters with Dexter Community Schools (DCS). On February 22, 2021, the DCS Board of Education ratified the execution of the proposed Closing Agreement. While the Closing Agreement has not yet been executed, the IRS has determined the 3% retiree healthcare contribution, in specific circumstances, is not wages for purpose of federal or FICA tax.

What does this mean for you?

You may be entitled to a refund of overpaid FICA taxes for the 2012 and/or 2013 calendar years if you were an employee of Dexter Community Schools between September 4, 2012 and December 31, 2013. During this period, and this period only, DCS did not reduce your FICA wages by your 3% retiree healthcare contribution.

Dexter Community Schools filed timely protected claims for the tax periods Q3 2012, Q4 2012, Q1 2013, Q2 2013, Q3 2013, and Q4 2013. DCS subsequently perfected the employer portion of the protected claims and requested and received a refund of over reported social security tax and Medicare tax for the employer’s share only. DCS did not request a refund of the employee share from the IRS. DCS has not repaid or reimbursed employees for any of the excess taxes withheld. DCS believes the protected quarters are still open for employees to request a refund (Mills vs. U.S. 890-F.2d 1133 (11th Cir. 1989)). The IRS has final determination. At this time, DCS is providing you the information to request a refund from the IRS for the employee’s share of overpayment of the social security tax and Medicare tax.

How much will you receive?

In order to determine the amount you may receive, you need to use the box below to figure the amount. Employees are not required to file a claim or amend their return. Each person’s tax situation is different. Please consult your own tax advisor. An employee who made \$50,000 annually would receive about \$175 refund of overpayment of FICA taxes, plus interest. Complete the following worksheet. All the information you need is on your W-2c.

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2012 Wages		Wages	Wages		Anticipated
Previously reported		Correct Information	Overreported		Refund
Box 3		Box 3			
<input type="text"/>	minus	<input type="text"/>	= <input type="text"/>	x 0.0420	= <input type="text"/>
Box 5		Box 5			
<input type="text"/>	minus	<input type="text"/>	= <input type="text"/>	x 0.0145	= <input type="text"/>
			Total refund requested		<input type="text"/>
2013 Wages		Wages	Wages		Anticipated
Previously reported		Correct Information	Overreported		Refund
Box 3		Box 3			
<input type="text"/>	minus	<input type="text"/>	= <input type="text"/>	x 0.0620	= <input type="text"/>
Box 5		Box 5			
<input type="text"/>	minus	<input type="text"/>	= <input type="text"/>	x 0.0145	= <input type="text"/>
			Total refund requested		<input type="text"/>

How do you request your refund?

Step 1: Complete the worksheet above. Decide if you want to file a claim. Your refund may be too small and not worth the effort.

Step 2: Complete IRS Form 843-Claim for Refund and Request for Abatement. You need to complete an IRS Form 843 for each the 2012 and 2013 tax periods.

Fill in your name (as it appeared on your tax return), address, etc.

Employer EIN “**38-6007821**”

Box 1 “**2012**” or “**2013**” (to match the W-2c tax year you are submitting)

Box 2 Enter the amount to be refunded from your worksheet above

Box 3 Check “**Employment**”

Box 6 Check “**1040**”

Box 7 Write “**See attached**” (attach a copy of this letter that contains your completed worksheet)

Sign and date. (If you filed a joint return, both you and your spouse must sign)

Step 3: Mail each tax year 2012 and 2013 in a separate envelope using certified mail or other delivery method that has tracking. Include:

1. IRS Form 843
2. W-2c Copy B
3. A copy of this letter with the worksheet completed for the tax period
4. Mail to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0002

Sharon Raschke

Sharon Raschke
 Chief Financial Officer

Claim for Refund and Request for Abatement

▶ See separate instructions.

Use Form 843 if your claim or request involves:

- (a) a refund of one of the taxes (other than income taxes or an employer's claim for FICA tax, RRTA tax, or income tax withholding) or a fee, shown on line 3,
- (b) an abatement of FUTA tax or certain excise taxes, or
- (c) a refund or abatement of interest, penalties, or additions to tax for one of the reasons shown on line 5a.

Do not use Form 843 if your claim or request involves:

- (a) an overpayment of income taxes or an employer's claim for FICA tax, RRTA tax, or income tax withholding (use the appropriate amended tax return),
- (b) a refund of excise taxes based on the nontaxable use or sale of fuels, or
- (c) an overpayment of excise taxes reported on Form(s) 11-C, 720, 730, or 2290.

Name(s)	Your social security number
Address (number, street, and room or suite no.)	Spouse's social security number
City or town, state, and ZIP code	Employer identification number (EIN)
Name and address shown on return if different from above	Daytime telephone number

1 Period. Prepare a separate Form 843 for each tax period or fee year. From _____ to _____	2 Amount to be refunded or abated: \$ _____
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3 Type of tax or fee. Indicate the type of tax or fee to be refunded or abated or to which the interest, penalty, or addition to tax is related.

Employment
 Estate
 Gift
 Excise
 Income
 Fee

4 Type of penalty. If the claim or request involves a penalty, enter the Internal Revenue Code section on which the penalty is based (see instructions). IRC section: _____

5a Interest, penalties, and additions to tax. Check the box that indicates your reason for the request for refund or abatement. (If none apply, go to line 6.)

Interest was assessed as a result of IRS errors or delays.
 A penalty or addition to tax was the result of erroneous written advice from the IRS.
 Reasonable cause or other reason allowed under the law (other than erroneous written advice) can be shown for not assessing a penalty or addition to tax.

b Date(s) of payment(s) ▶ _____

6 Original return. Indicate the type of fee or return, if any, filed to which the tax, interest, penalty, or addition to tax relates.

706 709 940 941 943 945
 990-PF 1040 1120 4720 Other (specify) ▶ _____

7 Explanation. Explain why you believe this claim or request should be allowed and show the computation of the amount shown on line 2. If you need more space, attach additional sheets.

Signature. If you are filing Form 843 to request a refund or abatement relating to a joint return, both you and your spouse must sign the claim. Claims filed by corporations must be signed by a corporate officer authorized to sign, and the officer's title must be shown.

Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

 Signature (Title, if applicable. Claims by corporations must be signed by an officer.) _____ Date _____

 Signature (spouse, if joint return) _____ Date _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.