

Re: FICA Tax Refund Claim Consent

Dear

For several years the Internal Revenue Service (IRS) has been reviewing the issue of payment of FICA (Social Security and Medicare Taxes) by medical residents for the tax periods prior to April 1, 2005, when new IRS regulations went into effect. I am pleased to let you know that our efforts to recover, on your behalf, the payment of certain FICA taxes previously paid during your time as an intern/resident, have finally prevailed.

You are receiving this letter because our records indicate that you were a resident with us for some, or all, of the statutory periods for which the IRS has agreed to make certain FICA Tax reimbursements, and you are therefore eligible for a refund of same.

During 2004, we took action based on our understanding of cases that were being heard and/or settled with the IRS regarding this issue. On March 2, 2010 the IRS announced that it had agreed to refund these FICA taxes, which you are eligible to receive due to UMMS filing a claim on your behalf. Although all of the final details have not yet been released by the IRS, the following are certain facts, and steps to be taken, as we understand them today:

1. You will receive a FICA tax refund, with statutory interest, based on the amounts claimed by us and as approved by the IRS.
2. We have been approved for the periods January 1, 2000 through June 30, 2004 by the IRS.
3. For your convenience, Healthcare Affiliates Inc., our consultant on this project, has posted on its website at www.healthcareaffiliates.com, copies of the recent communications sent to us by the IRS related to this issue.
4. **To remain eligible for your share of this refund, you will need to execute the consent form (included herein) and return it to Healthcare Affiliates Inc. within 45 days (see the IRS 'letter 4608', page 3, last paragraph, on website).**
5. Healthcare Affiliates, Inc., on our behalf (and by extension, on your behalf as well) is coordinating the recovery process with the IRS and will forward all required materials to the IRS, including the consent form which you need to return.

6. Once all of the documents are received and approved by the IRS, it will refund the calculated amounts to the Hospital, with a subsequent distribution by us, to you.
7. The Hospital will produce and send to you an adjusted W-2 (W-2c) for IRS/SSA purposes, you will not need to re-file any past returns. As noted in the IRS documents, this refund may/could have an effect on your final Social Security benefits (see paragraph 4 of the consent form attached for more information). The 3rd 'bullet' at the end of the consent form also addresses the SSA issue.
8. The Hospital will also produce and send to you a 1099 INT for the interest paid on the refunded FICA taxes if the interest is more than \$600.00. This would be reportable/taxable in the year received.
9. The Hospital will continue its efforts to recoup the maximum for you and keep you informed of the refund process.

The Hospital is very pleased with the positive outcome of its request for reimbursement of these taxes. We are sure that you are equally pleased. We continue our mission of providing quality healthcare and outstanding medical education of which you have benefited.

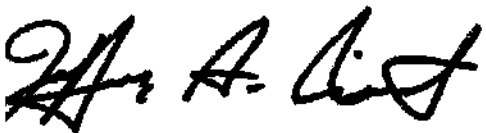
It is our sincere hope that this education has served you and your patients well since your days at the University of Maryland Medical System. The Hospital will use its portion of the refunds to continue its mission via capital improvements, to update equipment and to address staffing needs.

To further that mission, we have taken the liberty of adding an additional consent form, *where you may indicate a percentage of your refund that you would like to donate to the Hospital to assist us in the continuation of our mission.*

In closing, all you need to do at this time in order to be eligible to receive your FICA tax reimbursement is to sign the enclosed consent form and return it within **Forty-Five (45) days** _____, to our collection agent in this matter, Healthcare Affiliates, Inc. in the enclosed, self-addressed envelope. You may also fax it to Healthcare Affiliates Inc. at 410-879-3266 or scan and e-mail it to UMMS@healthcareaffiliates.com (please request an e-mail confirmation of receipt).

Thank you in advance for your anticipated cooperation, support and generosity.

Sincerely,



Jeffrey A. Rivest
President and Chief Executive Officer
University of Maryland Medical Center

Consent Form - Medical Resident FICA Refund Claim
University of Maryland Medical System Corporation (UMMS)

Social Security Number: _____

Employee Name: (Last) _____ (First) _____ (M) _____
(If you have changed your name because of marriage, divorce etc., enter the name used when you were a medical resident)

Address: _____

City, State _____ Zip Code _____

Note: If 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.

For each year shown below:

Check "Yes", if you authorize UMMS to collect the refund on your behalf and forward it and other appropriate documentation to you.

Check "No", if you do not authorize UMMS to collect the refund on your behalf, or you were not eligible for a refund (not a medical resident) for that period.

2000 ___ Yes ___ No // 2001 ___ Yes ___ No // 2002 ___ Yes ___ No //

2003 ___ Yes ___ No // 2004 ___ Yes ___ No (January - June 2004 only)

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 to, or the amount of, future Social Security benefits.
- I give my consent to UMMS to file a Medical Resident FICA Refund Claim on my behalf for refunds of FICA taxes that UMMS withheld from my wages for services I performed as a medical resident.

Signature _____ Date _____

Return your signed consent form in the enclosed envelope by _____.
You may also Fax the form to Healthcare Affiliates, Inc. at 410-879-3266, or scan and send via E-mail to UMMS@healthcareaffiliates.com (request a confirmation e-mail).

Keep a signed copy of this consent form for your records.

Authorization for Donation

I, _____ (Print Name), authorize the University of Maryland Medical System (UMMS) to withhold the sum of \$ _____ or _____ % (which ever is greater) of my Medical Resident FICA Refund Claim.

I understand that I will receive a confirmation of the donated amount when I receive my refund, W-2c, and my 1099INT form at the conclusion of this process.

I appreciate the efforts that the University of Maryland Medical System has made on my behalf in the process of obtaining this FICA tax refund and statutory interest.

Signature

Social Security #

Date