



TO: All Employees

FROM: Stacy M. Gober, Asst to the Superintendent for Finance & Administration  
Jolene Vitalos, President, Bethlehem Area Education Association

RE: IRS Form 843 Submission Information

DATE: September 30, 2011

On February 4, 2011, the Bethlehem Area School District (“BASD”) notified employees via the BASD website of directions available for the submission of IRS Tax Form 843 to correct an error on the 2010 W2. (Click on the following link to be redirected to the BASD Staff Page to view the original information provided:

[http://www.beth.k12.pa.us/admin/hr/webforms/W2\\_FICA-Medicare\\_memo.pdf](http://www.beth.k12.pa.us/admin/hr/webforms/W2_FICA-Medicare_memo.pdf).)

The appropriateness and proper use of this IRS Form 843 was discussed with the Bethlehem Education Association (“BEA”) representatives, the BASD solicitor and shared with the Pennsylvania State Education Association (“PSEA”) attorney prior to it being made available to employees. It is an approved and appropriate IRS form to correct the over-withholding error.

While many employees have received their refund, some employees continue to experience an extended wait time for this refund. ***If the employee has received a refund, no further action is required.*** Other employees have experienced individual tax issues specific to the manner in which the IRS Form 843 and/or the actual 2010 tax return itself was completed/submitted.

This communication is provided to BASD employees as a ‘self-check’ to help assist the employee in following the proper procedure for submission of the refund request using the IRS Form 843.

## **PART 1**

1) Did the employee download the IRS Form 843 made available from the Staff Page of the BASD website? The Form 843 located at the following link has been partially completed with information relevant to BASD employees:

[http://www.beth.k12.pa.us/admin/hr/webforms/W2\\_FICA-Medicare\\_memo.pdf](http://www.beth.k12.pa.us/admin/hr/webforms/W2_FICA-Medicare_memo.pdf).

a) Did the employee and/or tax preparer correctly calculate the refund amount? The employee may want to use one (1) of the two (2) following alternate methods to determine the refund amount:

**DISCLAIMER: This notification should not be considered tax advice. If you have a tax question related to IRC Sec 125 and/or income tax withholding, please contact your tax professional.**

## Method A:

- i. Multiply Box 3 on the W2 by the Social Security tax rate of 0.062.
  - a. It will not match what was in Box 4.
  - b. The *difference* between the amount in Box 4 and the product of multiplying Box 3 by 0.062 is the amount over-withheld in Social Security wages in 2010.
- ii. Multiply Box 3 by the Medicare tax rate of 0.0145
  - a. This *product* is what should show in Box 6 of the W2.
  - b. It will not match what is shown on the actual W2 employee received.
  - c. The *difference* between the amount in Box 6 and the product of multiplying Box 3 by 0.0145 is the amount over-withheld in Medicare wages in 2010.
- iii. Add the amount over-withheld in Social Security wages to the amount over-withheld in Medicare wages, and insert into Line 2 of the Form 843.

## Method B:

- i. The amount over-withheld is the total shown in W2 Box 14 for Medical Premiums multiplied by 7.65%.
- ii. As a proof, add the Medical Premiums amount to the Social Security wages in Box 3 and multiply by 6.2%. The product should equal the amount of Social Security taxes paid in Box 4.
- iii. Insert the amount over-withheld into Line 2 of the Form 843.

box 14 med prem	\$ 608.00	7.65%	\$ 46.51	amt of FICA overpaid =SS+Medicare tax
Proof:				
box 3 Soc Sec wages	\$ 78,075.14			
box 14 med prem	\$ 608.00			
	\$ 78,683.14	6.20%	\$ 4,878.35	}
			Box 4 Soc Sec tax \$ 4,878.35	
				if this amount equals the amount shown in box 4 then the amt of overpayment above is correct.

**Disclaimer: The above examples are not a substitute for official tax advice. The Bethlehem Education Association nor the Bethlehem Area School District do not employ tax preparation specialists. If you have a tax question related to IRC Section 125 and/or income tax withholding, please contact your tax professional.**

b) Did the employee include the *signed* memo with the IRS Form 843, evidencing the Superintendent's and Assistant to the Superintendent's signatures?

c) Was the IRS Form 843 mailed by the employee to the correct remittance address? In most cases, employees should send the Form 843 to the same address that the employee would send their federal tax return if sending via US mail. For most PA & NJ residents filing a Form 1040, 1040A, 1040EZ or 1040X:

**DISCLAIMER: This notification should not be considered tax advice. If you have a tax question related to IRC Sec 125 and/or income tax withholding, please contact your tax professional.**

(i) If the employee owes no additional tax on the final return, send the Form 843 to The Department of the Treasury, Internal Revenue Service, Kansas City, MO 64999.

(ii) If the employee owes additional tax on the final return, send the Form 843 to The Department of the Treasury, Internal Revenue Service, P.O. Box 37008, Hartford, CT 06176-0008.

**Disclaimer: Please be sure to verify with your tax return filing to insure it is the correct address for your return and location.**

## **PART 2:**

1) If the employee can answer “yes” to all of the above, and has

a) RECEIVED A REFUND of the over-withholding, no further action is required.

b) NOT RECEIVED A REFUND of the over-withholding, please allow 8-12 weeks for processing. After that time, please call 800-829-1040 and speak with the IRS Support Center regarding your situation.

2) If the employee has answered “no” to any of the above questions in Part 1, the employee will need to do the following to help him/herself with the IRS Form 843 filing:

a) Call 800-829-1040 and speak with the IRS Support Center

b) Visit the IRS Taxpayer Assistance Center, 3 W. Broad St., Bethlehem PA 18018, (610) 865-8208, Hours: Monday-Friday, 8:30 a.m.-4:30 p.m. (Closed for lunch 12:30 p.m.-1:30 p.m.).

Official website: <http://www.irs.gov/localcontacts/index.html>.

Please take all documentation related to your return and all correspondence with you to the Center for assistance.

Again, the BASD Administration apologizes for any inconvenience this may have caused. The appropriate IRS Form 843 with instructions continues to be available on the BASD website to simplify the process and reduce the employee’s individual effort.

If you continue to experience issues receiving your over-withholding refund due to the submission of the IRS Form 843 after having completed the directions in PART 2 above, or you feel that you have been provided incorrect or inaccurate information from the IRS Taxpayer Assistance Center, you may contact Taxpayer Advocate Services at 877-777-4778 to determine if your situation meets the criteria for their assistance in an appeal.

**DISCLAIMER: This notification should not be considered tax advice. If you have a tax question related to IRC Sec 125 and/or income tax withholding, please contact your tax professional.**