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memorandum**

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to: Paul Marmolejo, Program Manager,
Tax Exempt & Government Entities TE/GE

from: Lynne Camillo
Chief, Employment Tax Branch 2 (Exempt Organizations/Employment
Tax/Government Entities)
Office of the Division Counsel/Associate Chief Counsel (Tax Exempt and Government
Entities)

subject: Federal Agency Wage Base Issues

This Chief Counsel Advice responds to your request for assistance. This advice may not be used or cited as precedent.

This memorandum concerns the obligations of a Federal agency, branch, or department to pay social security tax under the Federal Insurance Contributions Act (FICA) with respect to remuneration paid to a Federal employee who also receives wages from one or more other Federal agencies, branches, or departments, and whose combined remuneration from the Federal agencies exceeds the maximum wage base for social security tax purposes (i.e., the social security contribution and benefit base, \$106,800 for 2011).

There are a number of situations in which this issue could arise. Payment of social security taxes on wages in excess of the maximum wage base by two or more Federal agencies could occur even if the employee works for just one agency during the year, if the agency uses a shared service center to make certain wage payments to employees. Shared service centers provide common administrative support services to Federal agencies under 31 U.S.C. § 322. The shared service center may provide the delivery of human resources, payroll, and relocation services to customer agencies. In some cases, a shared service center may use other shared service centers to make certain types of wage payments to employees working for the agency that has contracted with the shared service center. In other cases, employees work for one Federal agency

during a portion of the year, and then work for one or more other agencies during the remainder of the year. In all these situations, the possibility arises that Federal agencies may pay social security taxes on wages in excess of the social security contribution and benefit base to Federal employees.

After providing background information, we discuss issues raised by these situations together with the answers in the remainder of the letter.

Background

FICA taxes include two taxes that are imposed on employers and employees with respect to wages: the Old-Age, Survivors, and Disability Insurance Tax (OASDI or social security) tax, which is imposed by section 3101(a) (employee's portion) and section 3111(a) (employer's portion), and the hospital insurance (Medicare) tax imposed by section 3101(b) (employee's portion) and section 3111(b) (employer's portion).

FICA taxes apply to wages as defined in section 3121(a) of the Code. There is no limit on the amount of wages subject to the Medicare tax. However, section 3121(a)(1) provides an exception, in the case of social security taxes, for that part of the remuneration for employment (not otherwise excepted from wages) which, after remuneration equal to the contribution and benefit base with respect to employment has been paid to an individual by an employer during the calendar year with respect to which such contribution and benefit base is effective, is paid to such individual by such employer to such individual during such calendar year. Thus, in order for the exception to apply to remuneration, it must be shown that the employee had received other wages equal to the contribution and benefit base before receiving the remuneration.

Section 3122 of the Code provides that, in the case of FICA taxes with respect to services performed in the employ of the United States or in the employ of a United States instrumentality, the determination of the amount of remuneration for such service, and the return and payment of FICA taxes shall be made by the head of the Federal agency or instrumentality having the control of such service, or by such agent as such head may designate. Section 3122 further provides that nothing in section 3122 shall be construed to affect the Secretary's authority to determine under section 3121(a) and (b) whether any such service constitutes employment, the periods of such employment, and whether the remuneration paid for any such service constitutes wages. In addition, section 3122 provides that the person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 (the FICA employer tax) with respect to such service without regard to the contribution and benefit base limitation in section 3121(a)(1), and he shall not be required to obtain a refund of the tax paid under section 3111 on that part of the remuneration paid for any such service not included in wages by reason of section 3121(a)(1).

Section 6413(a)(1) provides in part that, if more than the correct amount of tax imposed by section 3101 or 3111 is paid with respect to any payment of remuneration, proper adjustments with respect to both the tax and the amount to be deducted, shall be made

without interest, in such manner and at such times as the Secretary may by regulations prescribe.

Section 6413(a)(2) provides that, for purposes of section 6413(a), in the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year, each head of a Federal agency or instrumentality who makes a return pursuant to section 3122 and each agent, designated by the head of a Federal agency or instrumentality who makes a return pursuant to such section shall be deemed a separate employer.

Section 6413(c)(1) provides that, if, by reason of an employee receiving wages from more than one employer during a calendar year, the wages received by him during such year exceed the contribution and benefit base which is effective with respect to such year, the employee shall be entitled (subject to the provisions of section 31(b)) to a credit or refund of any amount of tax, with respect to such wages, imposed by section 3101(a) and deducted from the employee's wages (whether or not paid to the Secretary), which exceeds the tax with respect to the amount of such wages received in such year which is equal to such contribution and benefit base.

Section 6413(c)(2)(A) provides that, in the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year, each head of a Federal agency or instrumentality who makes a return pursuant to section 3122 and each agent designated by the head of a Federal agency or instrumentality who makes a return pursuant to such section shall, for purposes of section 6413(c), be deemed a separate employer and the term "wages" includes, for purposes of section 6413(c), the amount not to exceed an amount equal to the contribution and benefit base for any calendar year with respect to which such contribution and benefit base is effective, determined by each such head or agent as constituting wages paid to an employee.

Issues

Issue (1) Whether the Federal Government is considered "one employer" for purposes of the maximum wage base imposed by section 3121(a)(1) of the Internal Revenue Code?

(1) For purposes of the exception provided by section 3121(a)(1), branches, departments, and agencies of the Federal Government are considered one employer, the United States Government.

Under section 3121(a)(1), the exception for remuneration paid in excess of the contribution and benefit base applies only if the wages received are from one employer. The definition of employer for this purpose is the employer under the common law rules. Thus, it is necessary to determine whether the different component parts (such as agencies) of the Government are separate common law employers and have separate and distinct employment relationships with a Federal employee.

The issue of whether the United States Government is one employer has arisen in a different tax context. In Rev. Rul. 58-599, 1958-2 C.B. 45, the IRS considered whether a member of the armed forces on the retired list for physical disability is “absent from work” for purposes of the former exclusion provided in former section 105(d) of the Code when he performs services in another department, agency or branch of the United States Government. Under the section 105(d) regulations relevant to the ruling, an employee is not absent from work when he performs any services for his employer at his usual place or places of employment or substantial services for his employer at a place other than the usual place of employment. The ruling concluded that the United States Government is considered one employer and that the individual is considered not absent from work from his employer when he performs services as an employee of the United States, whether such services are performed in the same department or in another department, agency, or branch of the United States Government.

Rev. Rul. 58-599 provides that, while the power of appointment with respect to officers and employees in the Government of the United States (other than that specifically reserved to the President by the Constitution) is vested by the Congress in the President, in the courts of law, or in the heads of the departments and independent establishments, the relationship of employer and employee is between the United States and the individual so appointed. Rev. Rul. 58-599 cites 24 Comp. Gen. 104 and section 31.3401(d)-1(d) of the Employment Tax Regulations as authority for its position. See also Rev. Rul. 77-15, 1977-1 C.B. 26 (holding that a Federal employee who retired on disability was not absent from work for purposes of section 105(d) when he performed services as an employee of the U.S. Postal Service because he was performing substantial services for his employer, the United States Government); and Black v. Commissioner, T.C.M. 1981-474 (retired Marine Corps Master Gunnery Sergeant was not absent from work for purposes of section 105(d) when he performed services as a civilian employee of the Marine Corps).

The rationale of Rev. Rul. 58-599 also applies for purposes of the exception provided by section 3121(a)(1) with respect to branches, agencies and departments of the United States government. The United States government is a single employer for purposes of section 3121(a)(1).¹ Therefore, a Federal agency can consider social security wages paid by another Federal Government department, agency, or branch to the employee for purposes of determining whether the employee has received wages equal to the contribution and benefit base.²

¹ The United States Government’s status as a single employer is also consistent with the need for Congress to make provision under section 6413(c)(2) for Federal employees to obtain special refunds of excess social security taxes paid as a result of working for two or more Federal agencies. If the special rule of section 6413(c)(2) were not provided, the employee presumably would have been required to get any refund of excess social security tax paid as a result of working for two Federal agencies from the agencies making the excess social security tax payments rather than taking a credit on their income tax returns.

² The relevant authorities deal with whether branches, agencies, and departments of the United States Government are considered one employer. We are not addressing whether instrumentalities of the United States are considered part of the United States Government for purposes of section 3121(a)(1)

In the case of services in the employ of the United States, section 3122 provides that the head of the Federal agency or instrumentality having control of the employee's service, or such agents as such head may designate, are required to make the return and payment of FICA taxes. Also, for purposes of the special refund of FICA employee tax under section 6413(c)(2), each head of a Federal agency or instrumentality (and each agent designated by the head of the Federal agency or instrumentality) is considered a separate employer. However, the treatment of agency heads and designated agents as separate employers for purposes of these administrative rules concerning the filing of returns, payment of taxes, and claiming of the section 6413(c)(2) credit does not mean that each such agency head or designated agent is a separate employer for purposes of the definition of wages and employment under section 3121(a) and 3121(b). A Federal agency head having control of the employee's service could appoint several agents to make payments to individuals working for that agency, but this does not cause each of the agents to be considered a separate employer for purposes of section 3121(a)(1).

This memorandum concerns employees who are working for one or more agencies, departments, or branches of the United States government and are receiving wages paid by two or more heads of agencies, departments, or branches, or agents appointed by the heads.

Issue (2) Are agencies required to coordinate with other agencies to insure that the agencies together do not exceed the social security tax on the maximum wage base, or can an agency pay social security tax up to the maximum wage base without regard to whether another Federal agency or payor has paid social security tax with respect to the employee during the calendar year?

(2) Federal Government persons who are required to pay FICA taxes and file returns under section 3122 ("Federal Government employment tax return filers") on behalf of an agency, department, or branch of the Federal Government are not required to coordinate with other agencies to insure that the agencies together do not pay social security tax on amounts in excess of the contribution and benefit base.

A person required to pay FICA taxes and file returns under section 3122 with respect to Federal employment may pay social security tax on an employee's wages up to the maximum wage base without regard to whether another Federal agency or payor has paid social security tax with respect to the employee during the calendar year. Section 3122 gives Federal Government employment tax return filers the authority to ignore wages paid by other payors in determining whether the social security maximum wage

and the answer may well be different in that context. See H.R. Rep. No. 81-1300, 81st Cong., 1st Sess. (1949), 119-120; and Sen. Rep. No. 81-1669, 81st Cong., 2d Sess. (1950), 125 (indicating that a Federal instrumentality, in determining the amount of remuneration for services performed in employment which constitutes wages for social security tax purposes, may not take into consideration amounts of remuneration paid by any other instrumentality or any Federal department or agency).

base has been reached. Section 3122 provides that the person making returns under section 3122 “may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to such service without regard to the contribution and benefit base limitation in section 3121(a)(1), and he shall not be required to obtain a refund of the tax paid under section 3111 on that part of the remuneration not included in wages by reason of section 3121(a)(1).”

Although the statute merely references the employer tax under section 3111, it is clear that section 3122 and section 6413(c)(2) together were intended to allow Federal Government employment tax return filers to withhold and pay the social security tax on the maximum wage base with respect to an employee’s wages without regard to whether the employee had received wages from other Federal employers. The legislative history related to section 3122 indicated that the provision was intended to “relieve a person making a return on behalf of any Federal department or agency of ascertaining whether any wages have been reported for the particular employee during the calendar year by any other reporting unit of any Federal department or agency.” H.R. Rep. No. 81-1300, 81st Cong., 1st Sess.(1949), 119-120; Sen. Rep. No. 81-1669, 81st Cong., 2d Sess.(1950), 125. The Federal Government employment tax return filer could only be relieved of ascertaining whether wages have been paid by another Federal return filer if it can withhold and pay the employee tax without regard to wages paid by other Federal return filers.

The employee is able to recover the employee portion through the special refund of overwithheld social security tax provided by section 6413(c)(2)(A), which provides that each Federal Government employment tax return filer who makes a return pursuant to section 3122 shall, for purposes of section 6413(c), be deemed a separate employer and that in calculating the amount of the refund under section 6413(c), the term “wages” includes, for purposes of section 6413(c), the amount not to exceed an amount equal to the contribution and benefit base for any calendar year.

Issue (3) Is a Federal agency permitted to file a refund claim for the employer portion of the social security tax paid in excess of the maximum wage base by the agency and another Federal return filer, but instruct employees to obtain a credit for the employees’ Forms 1040, U.S. Individual Income Tax Return, for any employee social security taxes withheld in excess of the maximum wage base?

(3) No, in order to obtain a refund of social security tax or obtain credit through the adjustment procedure, the Federal return filer must follow the normal procedures for obtaining a refund or making an adjustment, and also must demonstrate that it paid social security taxes for which it is claiming a refund or making an adjustment after wages equal to the contribution and benefit base were paid to the employee by the Federal Government. As discussed below, the requirements for obtaining a refund or making an adjustment include certain employee notification procedures that would not be satisfied simply by telling the employee to claim a credit of the employee social security tax portion on his or her Federal income tax return. Also, a Federal employer

cannot claim the refund of employer FICA taxes if another Federal employer is in fact entitled to the refund.

There are two procedures that may be used to correct an overpayment of FICA taxes: (1) the adjustment procedure; (2) claim for refund. An adjustment or a claim for refund of the employer FICA taxes must meet certain requirements. Whether the claim may be granted or the adjustment approved depends upon whether the requirements for an employer to claim a refund of FICA taxes or make an adjustment under the statute and regulations have been satisfied and whether the Federal Government employment tax return filer can establish that the particular wage payment with respect to which it is claiming a refund was paid after the employee had received FICA wages equal to the contribution and benefit base for the calendar year.

In situations where the employer has collected more than the correct amount of social security taxes with respect to employees, an ideal solution would be correction of that overcollection before the Form 941 is filed for the quarter in which the overcollection occurs and before the employee is issued Form W-2, Wage and Tax Statement. The employer could repay the employee the overcollection of employee social security tax. Thus, the Form 941 and Form W-2 would reflect the wages and taxes as adjusted by the repayment to the employee. This would eliminate the need for filing for a refund of social security taxes by the employer or by the employee because the overcollection would have been taken care of before returns are filed.

General requirements for making an adjustment or obtaining a refund of FICA taxes

A claim for refund of FICA taxes or an adjustment of an overpayment of FICA taxes by an employer is filed on Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund, when the employer is correcting underlying FICA tax that was paid and reported on Form 941, Employer's Quarterly Federal Tax Return. The general requirements for applying for and receiving a refund of FICA taxes or making an adjustment for overpayment of FICA taxes are discussed in detail in the regulations under section 31.6402(a)-2 (refunds) and 31.6413(a)-2 (adjustments) of the Employment Tax Regulations and the Instructions for Form 941-X. The following material is not intended to be a comprehensive discussion of all the requirements for filing claims for refunds and adjustments for refunds. The Form 941-X is filed separately from Form 941, and a separate Form 941-X is used for each Form 941 an employer is correcting. If an employer's corrections relate to overpaid FICA taxes, the employer must follow prescribed procedures, which are designed to assure that an employee's rights to recover overpaid employee social security and Medicare taxes that were withheld are protected. The employer receiving a refund of or making an adjustment for social security taxes also is required to furnish to the employee and file Forms W-2c, Corrected Wage and Tax Statement, reflecting the correct amount of social security wages and the social security tax withheld.

With respect to refunds, section 31.6402(a)-2 of the regulations discusses the employer's obligations to notify the employee as part of the process of obtaining a

refund of FICA taxes. Section 31.6402(a)-2(a)(ii) of the regulations provides that the claim for credit or refund must be filed on the form prescribed by the IRS and must designate the return period to which the claim relates, explain in detail the grounds and facts relied upon to support the claim, and set forth such other information as may be required by the regulations and by the instructions relating to the form used to make such claim. No refund or credit pursuant to this section for employer tax will be allowed unless the employer has first repaid or reimbursed its employee or has secured the employee's consent to the allowance of the claim for refund and includes a claim for the refund of such employee tax. However, this requirement does not apply to the extent that the taxes were not withheld from the employee or, after the employer makes reasonable efforts to repay or reimburse the employee or secure the employee's consent, the employer cannot locate the employee or the employee will not provide consent. No refund or credit of employee FICA tax overcollected in an earlier year will be allowed if the employee has claimed a refund or credit of the amount of the overcollection which has not been rejected or if the employee has taken the amount of such tax into account in claiming a credit against or refund of the employee's income tax, including instances in which the employee has included an overcollection of employee FICA tax in computing a special refund under section 6413(c).

With respect to adjustments of overpaid tax, section 31.6413(a)-2 also provides for the requirement of employee notification. Section 31.6413(a)-2(a)(3) provides that every adjusted return on which an overpayment is corrected shall certify that the employer has repaid or reimbursed the employee, except where taxes were not withheld from the employee or where, after reasonable efforts, the employer cannot locate the employee.

Every adjusted return, filed by an employer, for overpayment of employee FICA tax under section 3101 collected from an employee in a calendar year prior to the year in which the adjusted return is filed, must also certify that the employer has obtained the employee's written statement that the employee has not claimed refund or credit for the amount of the overcollection, or if so, such claim has been rejected and that the employee will not claim refund or credit of the amount

As part of the process of adjusting a social security tax overpayment or claiming a refund of overpaid social security tax, the employer is required to file amended Forms W-2 (Forms W-2c) reflecting the correct amount of wages. The amended Form W-2 would show the amended amount of social security wages. The problem here is that the original Forms W-2 could be used by the employees to claim credit under section 6413(c) for the overwithheld social security tax if the overwithholding is the result of the employee receiving wages in excess of the contribution and benefit base from two or more Federal Government employment tax return filers or other employers. The employee's original Form W-2 will reflect the social security wages on which social security taxes were paid and the amount of social security tax withheld. If amended Forms W-2 are given to the employees, those amended Forms W-2 would show reduced social security wages and, if the taxes were repaid to the employee by the employer, reduced social security taxes. Thus, there would be an inconsistency in a

government agency telling the Federal employee to claim credit for the excess social security tax withheld on his or her Form W-2, which would require the employee to file Form 1040 with the original Form W-2 attached showing the excess social security wages and tax, and then also making an adjustment for overpayment of or claiming a refund of the employer portion of the social security tax on Form 941-X, which requires filing of corrected Forms W-2 that would show amended social security wages inconsistent with entitlement to the section 6413(c) credit for excess social security tax withheld.

In summary, the employer claiming a refund of social security tax must satisfy one of the following three requirements in order to receive a refund of the employer portion of the social security tax on an overpayment of social security taxes with respect to an employee:

(1) The employer repays the employee the amount of the overpaid employee portion of the social security taxes, in which case the employer can request a refund of or make adjustment for the overpayment of the employer and the employee portions of social security taxes.

(2) The employer obtains the employee's consent to file for a refund of the overpaid employee portion of the tax (see page 5 of the Instructions for Form 941-X for the form and contents of the consent). The employer can request a refund of the employer and the employee portions of the social security taxes in that case.

(3) The employer notifies the employee, but does not obtain a consent to file a claim for refund of the employee portion of the social security tax (for example, because the employee has already filed for a credit of the employee portion of the tax on Form 1040). In this case the employer could request a refund or make an adjustment of the employer portion of the social security tax only (and not the employee portion).

The employer would need to file Form W-2c regardless of which of the above options applied.

Specific requirements for obtaining a refund of FICA tax or making an adjustment of an overpayment of FICA tax applicable in this case in addition to the general requirements

There are specific requirements that would apply in this case because the agency would need to show that the wages were paid after the employee had received wages equal to the contribution and benefit base from two or more Federal agencies. By way of illustration, we will present an example where a Federal employee works for two Federal Government agencies (agency X and agency Y) in 2010; he works for X for the first half of the year and Y for the second half of the year. As mentioned earlier, the social security contribution and benefit base for 2010 is \$106,800. Under this example, Agency X pays the employee \$65,000 in the first half of 2010 (and the head of the Federal agency reports and pays the FICA tax pursuant to section 3122) and withholds and pays FICA taxes on the entire amount of the wages it pays to the employee, and

Agency Y pays the employee \$65,000 in the second half of the year (and the head of the Federal agency reports and pays the FICA tax pursuant to section 3122) and pays FICA taxes on the entire amount of wages it pays to the employee. Under this example, only Agency Y can receive a refund of social security taxes because it is the only agency paying wages to the employee after the employee has been paid wages equal to the contribution and benefit base from two or more United States government return filers.³ In order for Agency Y to receive a refund of 2010 employer FICA taxes paid with respect to the employee, the agency would be required to satisfy the usual requirements for obtaining a refund of FICA taxes, as described above, and it would also be required to establish the dates of the wages paid the employee in 2010 by the Federal employers and the date the employee's wages from X and Y exceeded the contribution and benefit base.

Similarly, if, for example, two Federal Government employment tax return filers are paying wages throughout the year to an employee (because for example, one employer is acting as an agent in paying moving expenses for another employer) and the combined wages paid that are subjected to FICA tax are in excess of the contribution and benefit base, the determination of which filer can receive the refund of FICA taxes (provided it meets the general requirements for receiving a refund) or make an adjustment for overpayment of the FICA taxes would be based on the order in which the wages were paid. An employer requesting a refund or making an adjustment would need to be able to establish when the employee received payments of wages from both employers, and when the wages received by the employee exceeded the contribution and benefit base, and adjust for any wages repaid by the employee.

Although the procedures for obtaining a refund of the employer social security tax or making an adjustment for an overpayment of employer social security tax involve some administrative work, Congress did not set up any special procedure for refund of the employer tax in this situation. Congress's remedy was not to change the procedures applicable to an employer's request for refund of FICA tax, but to provide that the person making returns under section 3122 "shall not be required to obtain a refund of the tax paid under section 3111 on that part of the remuneration not included in wages by reason of section 3121(a)(1)." Thus, Congress recognized that obtaining the refund would involve some administrative effort and expense for an agency, and provided that the agency is not required to pursue a refund of the employer FICA tax when the overpayment results from the payment of social security taxes on amounts in excess of the contribution and benefit base. The agency is also not required to make an adjustment with respect to the overpayment of employer FICA taxes in this situation.

³ In other examples of consecutive employment of this nature, it is possible that the agency that employed the employee during the first half of the year may make a payment of remuneration during the second half of the year (for example, back pay) that is paid after the employee has received total wages equal to the contribution and benefit base from both agencies and may pay employer social security taxes with respect to that payment. In such a case, the agency employing the employee during the first half of the year could obtain a refund of the employer social security taxes paid with respect to the payment of remuneration in the second half of the year.

Issue (4) Would a Federal agency using two shared service centers to pay wages to employees be required to claim a refund of any overwithholding of employee social security tax or overpayment of employer social security tax regardless of the amount?

(4) No, under section 3122, a Federal Government employment tax return filer is not required to claim a refund of any overwithholding of employee social security tax or overpayment of employer or employee social security tax resulting from the employee receiving wages from two or more Federal Government employment tax return filers. The employer would also not be required to make an adjustment with respect to any overpayment of employee or employer social security tax resulting from the employee receiving wages from two or more Federal Government employment tax return filers.

In contrast, if a single Federal Government employment tax return filer under section 3122 withholds employee social security tax on amounts in excess of the contribution and benefit base and issues a Form W-2 reporting social security wages in excess of the contribution and benefit base and social security taxes in excess of the maximum that should be withheld by one employer, the Federal Government employment tax return filer would be required to make an adjustment for (or claim a refund of) the overpayment of social security tax and file amended Forms W-2. For example, if a shared service center paid social security taxes on amounts in excess of the contribution and benefit base for an employee based on remuneration that the shared service center only paid to the employee, the shared service center would be required to make an adjustment for (or claim a refund of) the overpaid employee social security tax and issue appropriate amended Forms W-2. This would be necessary because the employee could not claim a refund of the overpaid employee social security tax under section 6413(c)(2) on his or her Federal income tax return in that situation. The employee would have received one Form W-2 reporting social security wages in excess of the contribution and benefit base. The Federal Government employment tax return filer must correct this mistake and correct the Forms W-2. As part of the correction and refund process the Federal Government employment tax return filer would also be making an adjustment for employer tax or getting a refund of the employer tax in the example situation described in this paragraph. However, if the overpayment of social security tax by the Federal Government employment tax return filer results from the fact that the employee also received wages from another Federal Government employment tax return filer, then section 3122 provides that the Federal Government employment tax return filer is not required to make an adjustment for or claim a refund of such overpayment.

Issue (5) (a) If a shared service center and an agency coordinate social security tax withholding during the year and still encounter overwithheld social security taxes at year end, are the shared service center and/or the agency required to coordinate year-end adjustments through the payroll provider to insure that the withholding limit is not exceeded? (b) Alternatively, can the shared service center and/or the agency instruct the employee to obtain a refund on his or her Form 1040 tax return for any overwithheld

social security taxes and file for a refund of the agency's employer portion of the social security taxes using a Form 941X?

(5) (a) Under section 3122, the shared service center and/or the agency are not required to coordinate year end adjustments of social security taxes withheld in excess of the contribution and benefit base, as a result of the employee receiving wages from two or more Federal Government employment tax filers. (b) As noted above in the answer to Issue (4), the shared service center and/or the agency can only obtain a refund or credit of the overwithheld employer social security tax by following the usual refund or adjustment procedures and providing the other information described above in the answer to the fourth issue.

Please call (202) 622-6040 if you have any further questions.

Lynne Camillo
Branch Chief, Employment Tax Branch 2
(Exempt Organizations/Employment
Tax/Government Entities)
(Tax Exempt & Government Entities)