

**Publications**

# Final IRS Guidance on Additional Medicare Tax on High Earners

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The IRS and Treasury recently issued final regulations, along with a Form 8959 (and instructions) to be attached to the employee's income tax return, that spell out the rules for the new additional .9% Medicare Tax that started in 2013. 78 Fed. Reg. 71468 (Nov. 29, 2013). The final regulations provide detailed rules for the assessment, collection, and refund of such taxes, and are effective for quarters beginning on or after November 29, 2013.

The final rules are briefly summarized below, and are nearly identical to the proposed regulations and FAQs IRS issued back in June (Qualified Plans 2013-7). Notably, commentators requested various relief provisions which were denied – such as (1) more flexible correction of overpayments and underpayment for inadvertent errors, (2) waiver of penalties for de minimis errors, (3) allowing corrections within a certain period without penalty, and (4) applying certain wage repayment rules. We review the key features in the attached memo.

[Form 8959Download](#)