



<<ClaimIDBarcode>> NSLIJ-<<Claim7>>-<<Ck Dig>>
<<First Name>> <<Last Name>>
<<Address1>> <<Address2>>
<<City>>, <<ST>> <<Zip>>

<<Mailing Date>>

Re: Medical Resident FICA Refunds Claims

Dear Sir or Madam,

North Shore-LIJ Health System and its member Hospitals (“North Shore-LIJ”) are in the process of filing claims for refunds of social security and Medicare taxes paid on wages earned for services performed by medical residents, and fellows, for certain tax periods ending before April 1, 2005. These taxes are Federal Insurance Contributions Act (FICA) taxes and the claims are referred to as Medical Resident FICA Refund Claims (or MR claims).

On March 2, 2010, the IRS announced it would honor the MR claims for open periods before April 1, 2005. After we submit our MR claim(s), the IRS will verify the amount of the MR claim(s) and begin issuing refunds plus statutory interest. We cannot receive a refund of the FICA taxes that were withheld and paid on your behalf unless we have your written consent. If you do not consent to have North Shore-LIJ obtain your refund, you may be precluded from receiving any refund of the FICA taxes withheld and paid on your behalf because the time period for filing an individual claim for refund with the IRS may have expired.

In addition, the United States Supreme Court recently agreed to hear a challenge of the Treasury Regulations that imposed social security and Medicare taxes on wages earned for services performed by medical residents after April 1, 2005. North Shore-LIJ will also be seeking refunds for social security and Medicare taxes paid for services performed by medical residents for periods after 2005. However, information about this portion of the refund process will be mailed at a later date.

If you consent, North Shore-LIJ will pay you your FICA tax refund, plus statutory interest, after we receive the refund from the IRS. The FICA tax refund is not taxable, but the interest on the refund is taxable to you whether or not you receive a Form 1099-INT, Interest Income. North Shore-LIJ is required to file Form 1099-INT with the IRS and furnish a copy to you if we pay you interest of \$600 or more in a calendar year.

In addition, North Shore-LIJ will file Form W-2c, *Corrected Wage and Tax Statement*, with Social Security Administration (SSA), and furnish a copy to you for each tax year for which you receive a refund of FICA taxes. In most cases, Form W-2c will show a reduction in your earnings for social security coverage purposes in an amount equal to all the wages you were paid for services performed as a medical resident. Social security benefits are based on your earnings over your working lifetime.

Accordingly, based on your personal circumstances, a refund could have a detrimental effect upon disability, survivors, or retirement benefits that you, or your family, are receiving or may seek to receive in the future. If you would like information about the effect on your social security benefits, you should contact SSA directly toll-free: 800-772-1213. If you call or visit a Social Security office, please bring this letter with you as it will help SSA answer your questions.

You might want to review your social security record before and after your refund has been processed. You can use your current Social Security Statement or you can request a copy of your Social Security Statement at the following link: <http://www.ssa.gov/mystatement>.

How to Consent to Receive a FICA Refund

To consent to receive a refund from North Shore-LIJ, you must complete the enclosed Consent Form and submit it by September 15, 2010. You may submit this form by email (preferred) to: nslijfica@classactmail.com. If you cannot email it, you may fax to: 415-256-9756 or mail it to the FICA Refund Claims Administrator at the address shown at the bottom of the consent form in the enclosed envelope. *Your consent form must be postmarked no later than September 15, 2010.* Please note that not all North Shore-LIJ member Hospitals have all years available; each claim will be reviewed on an individual basis.

If you have already claimed and received a refund or credit for FICA taxes that were withheld from medical resident wages, or if you filed an individual refund claim for such FICA taxes and that claim is still pending with the IRS, then we will not be able to file your MR claim for the year(s) that you received a refund or credit or have a pending refund claim. This restriction does not apply if you filed a refund claim and it was rejected by the IRS. If we can file your MR claims for some years, but not others, check "Yes" for the years you are eligible or "No" for the years you are not eligible.

If you consent to be part of North Shore-LIJ's MR claim and the IRS determines that you are ineligible for a refund because you already received a refund based on an individual claim you filed, the IRS will not refund your share to us and this information may be disclosed to us.

To help manage this process, North Shore-LIJ has engaged Gilardi & Co, LLC. Therefore, all inquiries and any related matters should be addressed to Gilardi & Co, LLC directly. If you have any questions about this letter, please visit their Website at: www.gilardi.com/nslijfica or call toll-free: (866) 286-2606 from 8:00 a.m. to 5:00 p.m. (PST).

Sincerely,



Robert S. Shapiro
Senior Vice President, Chief Financial Officer
North Shore-LIJ Health System