

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain automatic reductions will take place as of March 1, 2013. These required reductions include a reduction to awards paid under Internal Revenue Code section 7623. As a result, the sequestration reduction is applied to award payments to whistleblowers issued pursuant to Internal Revenue Code section 7623 on or after March 1, 2013. The sequestration reduction rate will be applied until the end of the fiscal year (September 30, 2013) or intervening Congressional action, at which time the sequestration rate is subject to change. As determined by the Department in conjunction with the Office of Management and Budget, whistleblower payments subject to the reduction will be reduced by 8.7%.

The reduction required by the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, will be applied after the Whistleblower Office determines the amount of collected proceeds and the applicable award percentage under section 7623. The Whistleblower Office will then compute the award that would have been paid, and then apply the reduction. Whistleblowers will be advised of the reduction in correspondence from the Whistleblower Office concerning a proposed award amount and an award determination.