

November 3, 2015

Re: Fiscal Year 2016 sequestration rate for Whistleblower Awards

As you are probably aware, the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, requires whistleblower award payments issued under Internal Revenue Code section 7623 to be subject to sequestration. Award payments made to whistleblowers under Section 7623 on or after October 1, 2015, and on or before September 30, 2016, will be reduced by the fiscal year [2016 sequestration rate](#) of 6.8 percent. The fiscal year 2015 sequestration rate was 7.3 percent.

The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

The sequestration reduction will be applied after the Whistleblower Office determines the amount of collected proceeds and the applicable award percentage to be paid under section 7623. Whistleblowers will be advised of the sequestration reduction in correspondence from the Whistleblower Office concerning the proposed award amount and award determination.

Lee Martin
Director, Whistleblower Office
Internal Revenue Service