



Title: I, Payroll/Personnel

Chapter:

Bulletin: Title I, 12-35, Federal Insurance Contributions Act (FICA)

Date: December 31, 2012

To: Subscribers of All Title I Publications (Payroll/Personnel)

Effective for payments received on or after January 1, 2013, the Federal Insurance Contributions Act (FICA) rate and maximum amount paid by the employee will increase as described below. No action on the part of the employee or the personnel office is necessary.

FICA Employees

The current Federal Social Security (Old-Age, Survivors, and Disability Insurance (OASDI)) and Medicare is calculated by multiplying the current FICA-taxable wages by the appropriate FICA rate.

The FICA rate will increase from 5.65 percent to 7.65 percent. Of the 7.65 percent, the 6.2 percent (up from 4.2 percent in 2012) social security portion will have a maximum annual earnings amount of \$113,700 (up from \$110,100 in 2012) with a maximum amount paid by the employee of \$7,049.40 (up from \$4,624.20 in 2012). The FICA tax rate will be 1.45 percent on wages over \$113,700 and up to \$200,000, and 2.35 percent on wages over \$200,000.

The 1.45 percent Medicare portion of FICA will have a maximum annual earnings up to \$200,000, and 2.35 percent on annual earnings over \$200,000.

Medicare-Only Employees

The Medicare rate remains 1.45 percent on wages up to \$200,000. The Medicare rate will increase to 2.35 percent on wages over \$200,000.

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For questions about the National Finance Center (NFC) processing, authorized Servicing Personnel Office representatives should contact the NFC Contact Center at **1-855-NFC-4GOV (1-855-632-4468)** or via the Internet using the Requester Console.



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