SOCIAL SECURITY (FICA) CONTRIBUTIONS

PURPOSE: In accordance with Federal Law, the University shall match employee statutory contributions to the Social Security benefit plan so that employees can receive a cash supplement to their retirement income plan.

POLICY: The University shall participate in the Federal Insurance Contributions Act (FICA) on behalf of each employee on the University payroll by annually budgeting the amount of Social Security tax that matches the required employee contribution share.

DATE APPROVED: July 7, 1999

REVISED: September 1, 2007

PRACTICES & PROCEDURES:

I. The University shall deduct a percentage of the employee's gross income each pay-day at the current FICA tax rate. This deduction continues until the maximum annual taxable wage/salary amount is reached. Both the FICA tax and the annual wage/salary cap is determined annually by the Federal government.

II. The University shall match the employee's tax liability in Section I. above.

III. FICA tax deductions are required to be taken from all paid time off pay and from University Short Term Disability payments as well.

IV. FICA tax deductions shall be taken on all income up through and including the final payroll check, including any severance pay.

V. FICA tax is required to be taken from any earned income received by an employee even though that employee may already be receiving social security retirement income at the time wage/salary payment is made.

VI. The University shall give employees, whenever possible, at least thirty (30) days notice prior to taking FICA payroll deductions which include a Federal rate change. Customarily, these annual changes, if any, are announced by the government by the preceding October.