



SUBJECT:	Social Security and Medicare
POLICY NO:	VI: 16
APPLICABLE TO:	All Employees
PAGE NO:	1 of 1
EFFECTIVE DATE:	August 1, 1992
REVISION DATE:	August 1, 2018 (due to name change)

I. POLICY:

The Federal Insurance Contributions Act (FICA) is a government program that provides financial assistance for old age, survivors, disability and hospital insurance.

The social security tax funds old age, survivors and disability insurance. The tax is levied on the employee's wages, with the employee and employer each contributing the amount specified by law. The federal government sets the tax rate and maximum wage base on an annual basis.

The Medicare tax funds hospital insurance. The tax is levied on the employee's wages, with the employee and employer each contributing the amount specified by law. The federal government annually sets the tax rate. There is no wage base limit on the Medicare tax.

II. PROCEDURE:

- A. The law requires contributions from both the employee and the Minneapolis Medical Research Foundation.
- B. Each payperiod, a deduction will be made from the employee's wage to pay for this insurance. The deduction is a percentage of the employee's pay and is set by the federal government.
- C. Contact the Payroll Unit for information regarding the withholding percentage or maximum wage base limit.
- D. For more information, please contact the Social Security Administration.