

TITLE: CIB 96-10 - 1996 FICA and Medicare Tax Rates for PSCs

February 27, 1996

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

TO: Distribution List FAC

FROM: DAA/M, Michael D. Sherwin, Procurement Executive

SUBJECT: 1996 FICA and Medicare Tax Rates for Personal
Services Contracts (PSCs)

CONTRACT INFORMATION BULLETIN 96-10

This CIB supersedes CIB 95-11.

As you know, we are required to pay the employer's share of FICA (social security) taxes under PSCs with U.S. citizens or U.S. resident aliens, pursuant to AIDAR Appendix D. In order for you to ensure that sufficient funds are available and budgeted for this purpose, here are the FICA and Medicare tax rates and bases for calendar year 1996.

FICA 6.2% of the first \$62,700
Medicare 1.45% of the total wage