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MEMORANDUM
CONSTRUCTION OFFICE

June 7, 2024

To: All District and Resident Engineers
From: Sam Lompa, P.E., Chief Construction Engineer DS
SL
Subject: Labor Surcharge (Subsection 109.03 Special Provisions)

The Labor Surcharge rate will now be released and implemented each fiscal year.

Effective July 1, 2024, the labor surcharge rate (FY2025) applicable to force account work is 18.92%.

For your reference, the attached breakdown of the labor surcharge rate is provided. If you have any questions, please contact Kristen McDaniel.

Km:rl

FY2025 Labor Surcharge

(Effective: July 1, 2024 – June 30, 2025)

The labor surcharge compensates the contractor for statutory payroll items stipulated by various governmental agencies. The six items included are Social Security, Medicare, Worker's Compensation, State Unemployment Insurance, Federal Unemployment Insurance, and State Modified Business Tax. Due to the variability of rate determinations by each entity, the established rates are referenced in the month preceding the effective date of each Fiscal Year (FY).

Description	Rate
FICA (Social Security)	6.20%
FICA (Medicare)	1.45%
Worker's Compensation	4.10%
Nevada Unemployment Ins. - UI	5.40%
Federal Unemployment Ins. - FUTA	0.60%
Nevada Modified Business Tax	1.17%
Total Labor Surcharge:	18.92%