



## About the State Social Security Administrator Program Newsletter

The State Social Security Administrator Program Newsletter provides information about Social Security and Medicare coverage for state and local government employees.

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## State Social Security Administrator Program Newsletter

Spring 2019

### Does my Agency Need a Section 218 Agreement?

When the Social Security Act was signed into law in 1935, coverage was limited to only private sector employees because of constitutional concerns regarding the authority of the federal Government to impose taxes on states and public agencies. The Act was amended in 1950 to allow states to enter into voluntary agreements with the Federal government to provide Social Security coverage to public employees. These voluntary agreements are called Section 218 Agreements.

A Section 218 Agreement is a voluntary written agreement between the State and the Social Security Administration to offer Social Security or Medicare coverage to employees in addition to their retirement system.

Participation in the federal Social Security and Medicare program is not mandatory for every employer. You may need a Section 218 Agreement if you are a public employer who wants to:

- Offer Social Security benefits in addition to a public retirement system
- Provide coverage to new groups of employees
- Correct Social Security and/or Medicare tax reporting errors
- Provide Medicare coverage to employee(s) hired prior to April 1, 1986
- Provide coverage to positions excluded in original Section 218 Agreement

To learn more about Section 218 Agreements, visit our website or contact us at [SSSA@calpers.ca.gov](mailto:SSSA@calpers.ca.gov). We can answer questions about the Section 218 Agreement process and schedule information sessions to interested agencies.

## State Employee Social Security Participation

Are you a state employee? Have you ever wondered if you will receive Social Security benefits in addition to your pension? California has over 200,000 state employees working in hundreds of different classifications. Social Security coverage is mandatory for government employees who do not participate in a qualifying public retirement plan such as CalPERS. Government employees who participate in both Social Security and a retirement plan are covered through a unique voluntary federal-state agreement authorized by Section 218 of the Social Security Act. The State of California has a Section 218 Agreement with the Social Security Administration that provides coverage for each state department. But not every employee is covered under the agreement.

How do you know if you will be eligible for Social Security? Generally, State employees employed in miscellaneous classifications or at a state university participate in Social Security. For example, employees at the Secretary of State's office or Department of Social Services. State employees employed in law enforcement and firefighter classifications are exempt from paying Social Security. Classifications exempt from Social Security coverage have alternate retirement programs in place, and the employer and employee do not pay the 6.2% Social Security payroll tax. Contact your personnel office to learn more about alternate retirement programs.

For more information about Social Security and Medicare benefits for public employees visit our [webpage](#).

### 2019 Webinar Calendar

Date	Topic
5/29/19	Schools Social Security and Medicare
6/26/19	Section 218 Agreement Overview
7/31/19	Common errors in Social Security and Medicare withholding