



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.

Contact Us

CalPERS - SSSA Program
P.O. Box 720720
Sacramento, CA 94229-0720

[Email](#)

Phone: (916) 795-0810

Follow Us



September 14, 2021

State Social Security Administrator Program Newsletter

Summer 2021

Volunteers: Firefighters and Board Members

Correctly classifying a worker is an important step to providing employees with the benefits they are entitled to receive. One of the employer's responsibilities is to withhold income taxes and, if applicable, pay Social Security, Medicare, and unemployment tax on wages paid to an employee. Understanding the rules when it comes to classifying a worker as an employee or a volunteer will help prevent erroneous withholding situations and the need for corrections.

The Internal Revenue Code defines an employee as "any individual who, under the usual common-law rules applicable in determining the employer-employee relationship, has the status of employee." The "usual common-law rules" refers to the common law control test, which the Internal Revenue Service uses to determine the classification of a worker. The common law control test is based on three categories: behavioral control, financial control, and the type of relationship that exists between the worker and the employer. Employers must consider all three categories and any factors that may indicate the worker is an employee when making the determination.

The firefighter position is commonly misclassified. When the common law control test is applied, the firefighter must be classified as an employee. It does not matter whether the workers are called "volunteers" or "on-call" firefighters. It is the substance of the relationship, not the label, that determines a worker's status. Generally, volunteer firefighters are employees of the fire department or district where they

provide services. Firefighters that receive payment for their services would have those wages subject to taxes just like any other employee.

Another commonly misclassified position is that of public officials (e.g., board members). Any official who administers or enforces public laws, whether the public elected the individual or an office appointed them, is considered a public official. In most cases, individuals who serve as public officials are government employees. Therefore, if employers pay their public officials a monthly stipend, or a stipend per meeting that they attend, that payment is considered a wage which must be reported on a form W-2 and is subject to the appropriate withholding for Social Security and/or Medicare taxes.

If your agency has questions about the classification of workers, our office can provide general guidance. Contact us by [email](#) or call us directly at (916) 795-0810.

SSSA at the CalPERS Educational Forum

Meet the State Social Security Administrator team at the 2nd Annual Virtual CalPERS Educational Forum! Connect with us one-on-one at our virtual exhibit “booth” to learn if your agency is compliant with the Social Security and Medicare tax laws. Our team can provide you with the tools and resources you need to comply with Social Security reporting and withholding requirements. We will have information about the Windfall Elimination Provision, Government Pension Offset, Section 218 Agreements, and the Annual Information Request requirement.

We also invite you to join our Social Security Coverage & Compliance Errors session to learn about common Social Security coverage issues public employers encounter. We will review various scenarios and options to correct compliance errors to help you better understand the scope of employers’ social security coverage.

Social Security Coverage & Compliance Errors Session

Wednesday, October 20, 2021

1:00-2:00 p.m.

Visit [CalPERS Educational Forum](#) for more information.

2021 Webinar Calendar	
10:00 a.m. 11:00 a.m.	
Date	Topic
11/17/2021	IRS: Top Audit Findings
12/15/2021	Social Security Benefits (WEP & GPO)