We Have You Covered!

The State Social Security Administrator (SSSA) has been conducting the Annual Information Request (AIR) using the myCalPERS system. During the AIR process, the SSSA has identified some cases where agencies may be withholding Social Security taxes and providing a public retirement system, such as CalPERS or a defined contribution or benefit plan. The coverage issue arises if the agency does not have a Social Security Section 218 Agreement on file with the Social Security Administration.

Don’t worry! The SSSA is here to assist you through the process of correcting the situation. We are here to provide information sessions to help you and your employees understand what needs to be corrected and the options available to ensure compliance. We provide templates for every step in entering or modifying a Social Security 218 Agreement. We also partner up with the Social Security Administration to provide information to your employees about the Social Security program.

If you have questions on whether your agency may be affected by this situation, don’t hesitate and give us a call today at 916-795-0810 or send us an email at sssa@calpers.ca.gov.

County Office of Education Annual Information Request

California County Offices of Education (COE) will receive notifications in March to complete their 2019 Annual Information Request (AIR), also known as the School Reorg. COE’s will have 30 days from the date of notification to complete the AIR.

The AIR for the COE captures information on organizational changes such as the creation, dissolution, unification, unionization, annexation, or
lapsation of any school district(s). If the COE has not made any changes to their school districts, you will submit the response in myCalPERS. If the COE has made changes to school districts, please contact the State Social Security Administrators (SSSA) office for assistance with submitting supporting documentation.

Get prepared early by checking your myCalPERS access and updating your password. Beginning July 2018, to conduct business with the SSSA program using myCalPERS you will need to have the Business Partner Social Security role. Contact your agency’s System Access Administrator to be assigned the role.

### Do You Hire Student Employees?

Did you know that services performed by students may not be subject to Social Security and Medicare taxes? However, there are certain criteria that must be met to qualify for the exception.

- Is your organization a school, college, university or 509(a)(3) supporting organization?
- Is the employment relationship predominately for education purposes?

If you answered “No” to these questions, your student services would not qualify to be exempt from Social Security and Medicare taxes per Internal Revenue Code (IRC) Section 3121(b)(10). To qualify for the exception, service must be performed by students employed by a school, college or university where the student is pursuing a course of study. Or, the services must be performed by students in a supporting organization as described in IRC Section 509(a)(3). Whether the organization is a school, college or university depends on the organization’s primary function. In addition, whether employees are students requires examining the individual’s employment relationship with the employer to determine if employment or education is predominant in the relationship.

The student exception does not apply to services which are covered by a Section 218 Agreement. Contact the SSSA office to determine whether services are covered under a Section 218 Agreement.

You may find additional information in the Internal Revenue Service (IRS) Publication 15 or by contacting the IRS at 1-800-829-1040.
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