



Official State Social Security Administrator

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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Employer Responsibilities: Worker Classification, 1945 Forms, and Social Security Reductions

Employers have many responsibilities to their employees. Did you know that one of those includes ensuring workers are appropriately classified? The common law control test is the test employers can use to determine the classification of a worker. This test helps determine if a worker at your agency is an employee or an independent contractor not subject to the benefits entitled to employees. The Internal Revenue Service (IRS) also offers official determinations on the status of a worker as either an independent contractor or employee. To obtain an official determination from the IRS, employers need to submit [Form SS-8 Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding](#). The IRS will acknowledge receipt of the form and request information from the other party. If a contract has been executed between the worker and the employer, a copy of the contract should also be submitted with Form SS-8. The IRS will generally issue a formal determination to the employer and send a copy to the worker.

Employers are also responsible for informing those employees not paying into social security of how the social security benefit they are eligible to receive may be reduced. For employees hired on or after January 1, 2005, in jobs not covered by Social Security, employers are required to provide a statement to employees explaining how a pension from a job not covered could affect future social security benefits. The law requires those employees to sign [Form SSA-1945 Statement Concerning Your Employment in a Job Not Covered by Social Security](#), indicating they are aware of the possible reduction to their future benefit due to the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO).

When giving the form, employers must follow these steps:

1. Provide the statement to the employee prior to the start of employment;
2. Obtain the employee's signature on the form; and
3. Submit a copy of the signed form to the pension paying agency

It is critical that employers provide the SSA-1945 form and, if possible, additional information and resources about the WEP and GPO reductions to their employees not contributing to social security so there are no surprises when those employees go to retire. In some cases, depending on the other benefits being offered, employers have the choice as to whether they will offer social security to their employees. Therefore, it is the responsibility of every employer to inform their employees of the benefits being offered, and of the possible offsets that can occur to a social security benefit.

If your agency has questions about the common law control test or the forms SS-8 and SSA-1945, contact our office via email at ssa@calpers.ca.gov or call us directly (916) 795-0810.

Employer Responsibility: Correcting Social Security and Medicare Withholdings

As an employer, you may discover a Social Security and/or Medicare tax withholding error has occurred. To correct these withholding errors, you can work with the Internal Revenue Service (IRS) and the Social Security Administration (SSA). The IRS is responsible for the collection and refund of Social Security and Medicare taxes while the SSA is responsible for maintaining employee earnings records.

You will need to complete Form 941-X for the tax years where the error(s) occurred whether you owe additional taxes or are owed a refund. [Instructions](#) and an [informational video](#) for completing Form 941-X are available for employers. While the IRS will accept corrections for any year, refunds are only issued for open tax years. Open tax years are generally the last 3 tax years starting from the current year.

Should you have additional questions, you can contact IRS Employer Services at (877) 829-5500 for government entities customer account services, or (866) 455-7438 for filing requirements and procedures for tax forms (941-X, W2x, 1099).

To update earnings records with the SSA, you will need to complete Form W2/W2C. The SSA's Business Services Online (BSO) portal enables you to create and submit the W2/W2C forms. The BSO portal will accept corrections as far back as 1978. A [tutorial](#) is available to assist in using the BSO portal. Additional help is available by contacting SSA's Employer Services at (800) 772-6270.

After completing the corrections, employers should inform their employees to review their earnings records in their [my Social Security Account](#) or by calling the SSA at (800) 772-1213. If the corrections are not reflected in the employee's earnings record after 30 days, the employee can send copies of

their corrected W-2 forms to the SSA along with Form SSA-7008 Request for Correction of Earnings Record.

Remember, public employers have many responsibilities to ensure employees are getting the correct benefits. The State Social Security Administrator's Office can assist all public employers. Contact our unit at (916) 795-0810 or via email at ssa@calpers.ca.gov.

2021 Webinar Schedule	
10:00 a.m. to 11 a.m.	
Date	Topic
11/17/2021	IRS: Top Audit Findings
12/15/2021	Social Security Benefits (WEP & GPO)
2022 Webinars topics will be posted soon.	