



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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How to Withhold and Report Social Security and Medicare Taxes for Election Workers

With 2020 being an election year, California held its primary election in early March. Hundreds of government entities hired election workers to successfully conduct the primary and, later in the year, the general election. Election workers are individuals hired by government entities to perform services at polling sites. This includes poll workers, moderators, machine tenders, checkers, ballot clerks, voting officials, polling place managers, absentee ballot counters, or deputy head moderators. Election workers may be compensated by a set fee per day, or a stipend for the election period. They also may be employed exclusively for election work or may work in other capacities for the government entity on top of their election duties.

If your government agency employs election workers, are their hours and earnings being properly tracked? Have they earned over the federal threshold amount for their services? Are Social Security and Medicare taxes being properly withheld?

Correct tax treatment of election workers varies from state to state. In California, election workers are covered by a statewide Section 218 Agreement with the Social Security Administration. If an election worker is paid the federal threshold amount (\$1,900) or more, that worker is subject to Social Security and Medicare taxes *from the first dollar paid*. Those paid less than the federal threshold amount in a calendar year are excluded from Social Security and Medicare taxes.

In some cases, election workers may work for the same government entity in other capacities, in which case a consideration of services performed must be made when thinking about the application of Social Security and Medicare taxes. If those other services provided by the

employee are covered under a Section 218 Agreement, Social Security and Medicare taxes may apply.

It is important that every employer monitor all amounts paid to election workers for *election worker services* because once the federal threshold amount is reached, Social Security and Medicare taxes must be applied to every dollar earned from those services.

Till Death Do Us Part

While the Social Security Act passed in 1935, public employees could not participate in the Social Security program until 1951. Public agencies were excluded from participation due to the uncertainty of the federal government's ability to directly tax state and local governments. This question of taxation was resolved with the addition of Section 218 of the Social Security Act in 1951. Many agencies were eager to provide Social Security benefits to their employees and entered into this agreement with the Social Security Administration (SSA) in the early 1950's. However, some may not even be aware their agency entered into this agreement decades ago. Does your agency have a Section 218 Agreement?

As the needs of public agencies change over the decades, public employers may reevaluate employee benefits and request to modify or terminate previously accepted agreements. If this is the case for your agency, you may be wondering if the agreement is still in effect, if there is an expiration to the agreement, or whether there is any other way to annul it.

The short answer is, no. Section 218 Agreements can be created or modified to extend coverage only. Coverage for employee groups can never be decreased. As of April 20, 1983, the SSA no longer allows termination of Section 218 Agreements. The only way to terminate an active Section 218 Agreement is by dissolution, merger, annexation, or any other transfer allowable by state law. Once an agency has ratified their resolution requesting coverage, there is no way out of the agreement for as long as the agency remains an active public agency. "Uncle Sam" applies a very literal interpretation to the matrimonial phrase, "till death do us part." In other words, once your agency is "married" to the federal government and voluntarily agrees to Social Security taxation by entering into a Section 18 Agreement, the agreement will only be terminated with the literal death of the agency.

If you are not sure if your agency has a Section 218 Agreement, contact our office. We can confirm and provide you the agreement, if applicable.

Our office can also assist with tax withholding questions. Consider our office a resource for determining tax compliance for your agency.

Upcoming Webinars

Join us for an interactive presentation to learn more about the State Administrator, Social Security, and Medicare. Register for a [webinar](#).

2020 Webinar Schedule	
Date	Topics
July 29, 2020	Open Forum: How to Complete the AIR Form
August 26, 2020	Social Security Benefits for Government Employees and How They Work
September 17, 2020	Working After Retirement (Joint Presentation with CalPERS)
November 18, 2020	IRS Presentation: Top Audit Findings
December 16, 2020	Windfall Elimination Provision (WEP) and Government Pension Offset (GPO)

View a complete list of webinars on our [webpage](#).