SOCIAL SECURITY
Office of the Regional Commissioner

May 19, 2010

State of Missouri
Office of Administration
Division of Accounting
301 West High Street, Room 570
Jefferson City, Missouri 65102
Attention: Mr. Mark Kaiser

Re: Social Security Coverage Determination

Dear Mark:

In view of information received from the Missouri community colleges and questions posed by some of the public schools, I want to clarify the Social Security coverage of employees who work for more than one Public School Retirement System (PSRS) or Public Education Employees Retirement System (PEERS) covered employer. We made the coverage determinations set forth below based upon the reasons why these employees contribute to Social Security, and the PSRS/PEERS rules regarding membership in these retirement systems. We will be sending letters to Missouri public schools and community colleges to provide guidance for these unique situations.

Missouri Public Schools – Category 1

With the exception of the Mark Twain School District, which I will discuss below, all Missouri public schools have now requested Social Security coverage through modifications to the State's Section 218 agreement. In Category 1 public schools, an employee who occupies one of the 10 statutorily defined teacher positions ("teacher"), but works less than 17 hours per week is considered a PSRS ineligible. An ineligible is someone who occupies a position under a retirement system but due to a personal disqualification, like the number of hours worked, is not a member of the retirement system. Category 1 schools requested Social Security coverage for PSRS ineligibles. However, because of PSRS rules regarding membership, the teacher who works less than 17 hours per week, and who is a member of PSRS based upon employment at other PSRS-covered employers, does not meet the definition of an ineligible. Accordingly, the teacher should not contribute to Social Security on wages paid at the Category 1 school.

The coverage determination described above **only** applies to Category 1 employees who occupy one of the 10 statutorily defined teacher positions, work less than 17 hours per week, and are PSRS members based upon employment at other PSRS-covered employers. See attached Social Security Coverage Chart.

This determination does **not** apply to the teachers working less than 17 hours per week in Category 2, 3, 4, and 5 schools because these teachers did not receive Social Security coverage as PSRS ineligibles. As a result, even if a teacher working less than 17 hours per week in a Category 2 school works at other PSRS-covered employers and is considered a PSRS member, the employee would contribute to Social Security on the Category 2 wages.

Missouri Public Schools – Category X – Mark Twain

Beginning July 2, 1991, Social Security coverage became mandatory for state and local government employees who are not members of a public retirement system and who are not covered under a Section 218 agreement. As Mark Twain chose not to request voluntary Social Security coverage for its employees, employees at Mark Twain only receive Social Security coverage under the rules of mandatory Social Security. Those positions subject to mandatory Social Security coverage are certificated teachers working less than 17 hours per week in teaching or non-teaching positions and non-certificated employees working less than 20 hours per week in non-teaching positions. These employees are generally not eligible to join either PSRS or PEERS.

Because of the PSRS/PEERS rules regarding membership, some of the employees described above may be members of PSRS or PEERS based upon employment at other PSRS- and PEERS-covered employers. Accordingly, these employees are not subject to mandatory Social Security coverage and should not contribute to Social Security on wages paid at Mark Twain.

This coverage determination only applies to employees at Mark Twain who occupy one of the positions noted above and who are PSRS or PEERS members based upon employment at other PSRS- or PEERS-covered employers.

Missouri Community Colleges – Category 1A

Like the employees in Category 1 public schools, an employee in Category 1A community colleges who occupies one of the 10 statutorily defined teacher positions (teacher), but works less than 17 hours per week is considered a PSRS ineligible. An ineligible is someone who occupies a position under a retirement system but due to a personal disqualification, like the number of hours worked, is not a member of the retirement system. Category 1A community colleges requested Social Security coverage for PSRS ineligibles. However, because of PSRS rules regarding membership, the teacher who works less than 17 hours per week, and who is a member of PSRS based upon employment at other PSRS-covered employers, does not meet the definition of an ineligible. Accordingly, the teacher should not contribute to Social Security on wages paid at the Category 1A community colleges.

The coverage determination described above **only** applies to Category 1A employees who occupy one of the 10 statutorily defined teacher positions, work less than 17 hours per week, and are PSRS members based upon employment at other PSRS-covered employers. See attached Social Security Coverage Chart.

This determination does **not** apply to the teachers working less than 17 hours per week in Category 1B and 5 community colleges because these teachers did not receive Social Security coverage as PSRS ineligibles. As a result, even if a teacher working less than 17 hours per week in a Category 5 community college works at other PSRS-covered employers and is considered a PSRS member, the teacher would contribute to Social Security on the Category 5 wages.

Missouri Community Colleges – Category 1B – East Central Community College

Beginning July 2, 1991, Social Security coverage became mandatory for state and local government employees who are not members of a public retirement system and who are not covered under a Section 218 agreement. Some employees at East Central Community College contribute to Social Security under the *mandatory* Social Security coverage rules. Those positions subject to mandatory Social Security coverage are part-time teachers in the 10 statutory positions working less than 20 hours per week without a Department of Elementary and Secondary Education (DESE) license to teach, and part-time teachers in the 10 statutory positions working less than 17 hours per week with a DESE license to teach

Based upon the PSRS/PEERS rules regarding membership, some of the employees described above may be members of PSRS or PEERS due to employment at other PSRS- or PEERS-covered employers. Accordingly, these employees are not subject to *mandatory* Social Security coverage and should not contribute to Social Security on wages paid at East Central Community College.

This coverage determination only applies to employees at East Central Community College who occupy one of the positions noted above and who are PSRS or PEERS members based upon employment at other PSRS- or PEERS-covered employers.

Please feel free contact me if you have any questions regarding this letter.

Sincerely,

Michael W. Grochowski
Regional Commissioner

cc: Al Thompson
Jeff Russler

Attachments: Social Security Coverage Chart – Missouri Public Schools
Social Security Coverage Chart – Missouri Community Colleges