TO: Potential LAGERS Employer Entities

FROM: Missouri State Social Security Administrator

RE: Social Security Coverage for Political Subdivisions

As a political subdivision and potential member of LAGERS, it is important that you are aware of the impact of Social Security coverage prior to making a final decision on a retirement plan for your employees. Under Federal law, Social Security coverage for political subdivisions is a voluntary option governed by Section 218 of the Social Security Act. Section 218 agreements allow political subdivisions to provide Social Security coverage to those employees who are in a FICA qualified retirement system.

For information on obtaining Social Security coverage thru a Section 218 agreement, a designated representative of your entity should contact the State Social Security Administrator prior to finalizing membership in LAGERS, or any retirement plan. If Social Security coverage through a Section 218 agreement is not effective prior to becoming a member of a FICA qualified retirement system, your entity must hold a referendum of all employees eligible to vote, and the majority of the voters will have to vote in favor of Social Security coverage in order to continue Social Security coverage.

Your State Social Security Administrator can review with you the State regulations and the option of obtaining Social Security coverage through a Section 218 agreement. Before selecting a retirement plan, contact the Missouri State Social Security Administrator via email at 218agreements@oa.mo.gov or by calling 573-751-3289.