

# **Elected Officials and Election Workers**

**Melanie Helmick**

*Division Auditor / State Social Security Administrator*

**Alaska Division of  
Retirement and Benefits**



# State of Alaska's Political Subdivision's - Elected Officials and Election Workers



ement and Benefits

# Elected Officials vs. Public Officials

- Elected officials can be public officials, but
- Public officials cannot be elected officials.



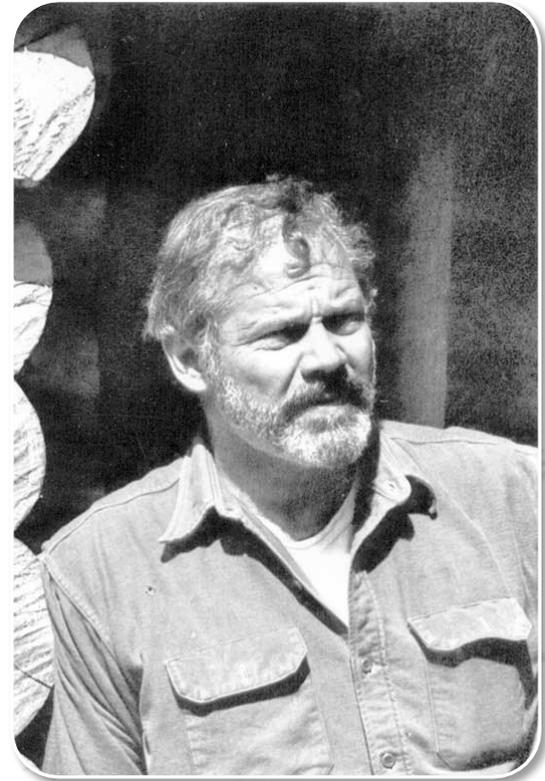
# Elected Officials Who Are Public Officials

- Governors
- Mayors
- Commissioners
- School Board and Board Members



# Public Officials Who Are Not Elected Officials

- Tax assessors
- State or local judges
- Marshals, sheriffs, constables
- City attorneys



Benefits

# Elected Officials for Today's Presentation

- Elected officials of the State of Alaska political subdivisions are:
  - Voted in
  - Exercise the power of the government



# Elected Officials

- Internal Revenue Code does not define the term elected official, but IRS regulations indicate that holders of elected office are not in a trade or business and are therefore not subject to self-employment tax.
- If self-employment tax is not applicable to the services, the individuals are presumed to be employees.
- Issue them a W-2 if you pay them wages!



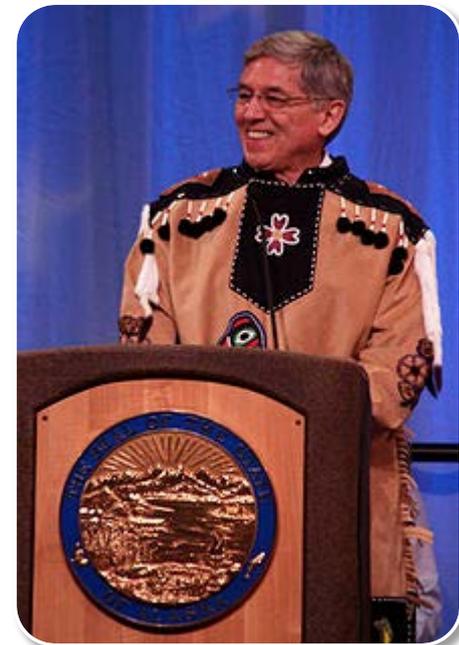
# Elected Officials, Social Security and Medicare Taxes

- As an employee, an elected official may be subject to Social Security and Medicare taxes.



# Section 218 or Section 210 Employers

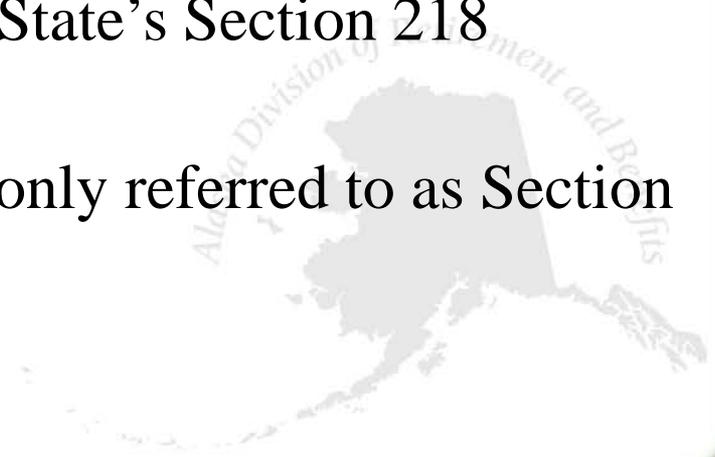
- For governmental employers and Social Security purposes, there are two types of employers:
  - Voluntary (Section 218)
  - Mandatory (Section 210)



# Section 218 Employers

State of Alaska holds the original Section 218 Agreement with the Social Security Administration.

- Voluntarily enrolls employees in Social Security.
  - Political subdivisions of the State of Alaska can choose to enroll their employees in Social Security via a modification to the to State's Section 218 Agreement.
  - These employers are commonly referred to as Section 218 employers.



# Section 218 Coverage

- Section 218 coverage can only be extended to groups of employees.
  - These groups are referred to as coverage groups. There are two types of coverage groups:
    - **Absolute Coverage Group**
      - Employees are not members of a retirement system (PERS/TRS)
    - **Retirement System Coverage Group**
      - Employees are members of a retirement system (PERS/TRS)



# Section 210 Employers

- Commonly referred to as mandatory employers.
- For mandatory employers, it is mandatory they enroll their employees in Social Security, **UNLESS** they are already in a qualified FICA replacement system (PERS/TRS).



ement and Benefits

# Elected Officials, Social Security and Section 218 Employers

- If you are a Section 218 Employer:
  - Check with your State Social Security Administrator to see which coverage groups are included in your Section 218 modification.
  - If applicable, enroll your elected officials in Social Security.
    - Medicare has been mandatory for all employers since April 1, 1986.

# Elected Officials, Social Security and Mandatory Employers

- If you are a mandatory employer:
  - Enroll your elected officials in Social Security, unless they are in a qualified FICA replacement plan (PERS/TRS).



# Mandatory Employers and Rehired Retirees

- Watch out for your rehired retirees
  - A person drawing a benefit from the plan OR having reached retirement age under plan provisions is considered tied to the plan.
  - Don't enroll them in Social Security!
  - If you don't know – call us!



# Elected Officials and PERS Enrollment

- Elected officials who were hired in PERS prior to July 1, 2006
- IF you didn't refund = you are enrolled in PERS Tiers I, II or III



# Elected Officials and PERS Enrollment

- Elected officials hired after July 1, 2006
- Were enrolled in PERS Tiers I, II or III and refunded
- Should be enrolled in PERS Defined Contribution now IF you make at least \$2,001 per month



# Questions about Elected Officials?



There are some things we will always  
own in common. No one will ever  
homestead an ocean.

— *Wally Hickel* —

AZ QUOTES



# Elected Official PERS Participation Waivers

- This form is for elected officials who do not wish to participate in PERS.
- This form does not get you out of applicable Social Security and Medicare enrollment.

Elected Official Participation/Waiver PERS Defined Benefit Retirement Plan		FOR OFFICE USE ONLY
		
Division of Retirement and Benefits Juneau: (907) 465-4460 Toll-Free: (800) 821-2251 P.O. Box 110203 TDD: (907) 465-3005 alaska.gov/drb Juneau, Alaska 99811-0203 FAX: (907) 465-3006		
<b>SECTION I. PERSONAL DATA</b>		
Employee's Name (Last, First M.I.)		RN or last 4 digits of SSN
Mailing Address City State ZIP+4		
Date of Birth (mm/dd/yyyy)	Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Same-sex partner <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female
Employer	Home Telephone Number ( )	Work Telephone Number ( )
<b>SECTION II. PARTICIPATION ELECTION</b>		
Note: If you do not receive compensation for your elected official service, skip to Section III.		
Directions: As a compensated elected official of a Public Employees' Retirement System (PERS) covered employer, you have the opportunity to participate in the PERS. After being elected, you must decide to either waive membership rights or become a contributing member of the PERS. Under Alaska Statute 39.35.125, Participation of Elected Officials, your employer must enroll you in the PERS unless you waive PERS membership by signing a written waiver which is filed with the Division of Retirement and Benefits. If you are currently employed as a full-time PERS or Teachers' Retirement System (TRS) member, or you are retired, please contact the Division of Retirement and Benefits to find out if this participation will benefit you.		
I hereby elect to: (check one)		
<input type="checkbox"/> Waive membership in the PERS effective _____ Note: Checked service cannot be claimed for periods when waivers are or have been in effect.		
<input type="checkbox"/> Revoke my previous waiver and become a member of the PERS effective _____ Note: This should be checked only if you have waived membership in the past. Employer must now withhold contributions and enroll employee in PERS.		
<input type="checkbox"/> Elect to become a member of the PERS effective upon my employment as an elected official. Note: Employer must now withhold contributions and enroll employee in PERS.		
Employee Signature	Date	
<b>SECTION III. NONCOMPENSATED ELECTED OFFICIALS</b>		
Directions: Complete this section if you do not receive compensation for your elected official service.		
<input type="checkbox"/> I understand that if I am not compensated as an elected official as defined in AS 39.35.690(15), I am not eligible to participate in the PERS.		
Employee Signature	Date	
<b>SECTION IV. FOR EMPLOYER USE ONLY (Select one)</b>		
<input type="checkbox"/> Please enroll the employee in PERS, based upon employee election to participate in the PERS.		
<input type="checkbox"/> I certify that the employee is not compensated for elected official service as defined in AS 39.35.690 (15).		
Employer Signature	Employer Number	Date
02-1832 (Rev. 12/12) <span style="float: right;">GovPublications/forms/pers/60-1832.indd</span>		

# Election Workers



# Election Workers Defined

- Someone hired by the state or local government to monitor, preside over, officiate, or assist in public elections.
  - Only employed during election periods
  - Earns a set wage for each day
  - May be called to duty at a polling station or at a counting center



# Election Workers and Federal Taxes

- Compensation paid for services and reimbursements paid under a non-accountable plan are taxable to election workers, however; they are not subject to income tax withholding under Internal Revenue Code (IRC) Section 3401(a).



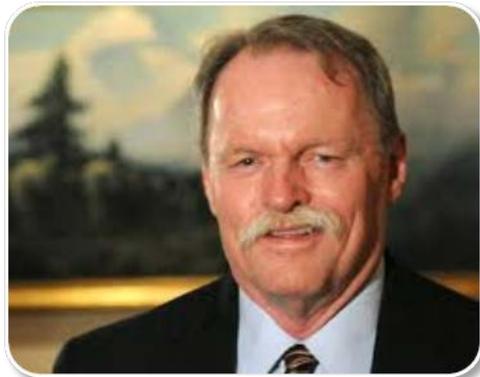
# Election Workers and Federal Taxes

- However, IRC Section 3402(p) allows employers and employees to enter into voluntary agreements to withhold income tax from wages for service performed. Election workers may request this voluntary income tax withholding by completing and giving the employer a Form W-4; employees Withholding Allowance Certificate.



# Election Workers and FICA Taxes Mandatory Employers

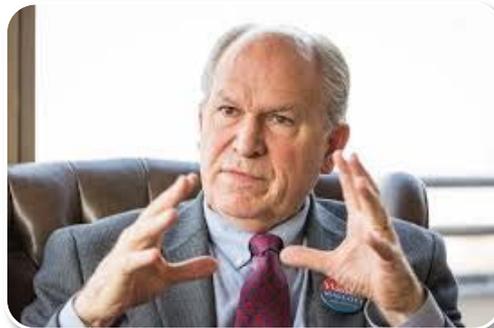
- If the compensation for an election worker is less than a statutorily established amount (\$1,700 for 2016), it is generally not subject to mandatory Social Security and Medicare tax.



Retirement and Benefits

# Election Workers, FICA taxes and Voluntary Employers

- Under a State Section 218 Agreement, an election worker's compensation MAY be subject to Social Security and Medicare tax at a level below this statutory amount.
- Check with your Social Security Administrator.



# Section 218 Modifications

- Most Section 218 employers have modified their agreement to coincide with the federal statutorily established amount and have included language to allow for inflation of this amount.
- There are a few employers who have not.
- Call us to check your entities modifications.



# Election Workers and Form W-2

- If an elections worker's wages are subject to withholding of Social Security and Medicare tax, Form W-2 reporting is required for all compensation, regardless of the amount.
- If an election worker's compensation is not subject to withholding of Social Security and Medicare tax, Form W-2 reporting is required for payment that aggregates \$600 or more in a calendar year.



# Questions about Election Workers?



# Call for Help

- We are happy to help
- Please allow us a few days to get back to you, as:
  - Often research is involved
  - Often we are in the field
  - Often we have questions ahead of yours



# Questions

- Questions we **can** answer:

- Social Security
- Medicare
- Issues we have raised in audit/review reports

- Questions we **can't** answer:

- Retirement System Eligibility
  - *Roberto Aceveda, Supervisor – Employer Counseling and Benefit Education*



# Questions (continued)

- Questions we **can't** answer (continued)
  - Retirement System Payroll
    - *Erika Burkhouse, Supervisor – Active Payroll  
Supervisor*
  - Personal Social Security Accounts



# Who We Call For Help

- Internal Revenue Service Agent
  - Pacific Area Manager for IRS Federal State & Local Governments (FSLG)
- Social Security Administration Agent
  - Section 218 Expert
  - Employer Services Liaison Officer



# Where We Go For Help

- IRS Publication 963
  - Federal-State Cooperative Publication
    - Social Security Administration
    - Internal Revenue Service
    - National Conference of State Social Security Administrators
- SSA – Program Operating Manual



# Contact Us:

**Melanie E. Helmick**

Phone (907) 465-5707

[melanie.helmick@alaska.gov](mailto:melanie.helmick@alaska.gov)

**Nimeri Denis**

Phone (907) 465-4469

[nimeri.denis@alaska.gov](mailto:nimeri.denis@alaska.gov)

