

OFFICE OF HUMAN RESOURCES

On December 10, 1952, the State of Louisiana entered into a Section 218 Agreement with the Social Security Administration to provide social security coverage for certain state and local governmental employees.

The 1954 Amendments to the Social Security Act (Section 218):

1. Permitted coverage of State and local government employees who were in positions already covered by a State and local pension plan, provided a majority of all employees who were members of the pension plan agreed, in a referendum, to such coverage.
2. Permitted coverage of ineligibles, in a modification which does not cover the retirement system coverage group, if direct reference is made to them in a proper modification submitted for that purpose.

Modification No. 515 covered the Board of Trustees for State Colleges and Universities (now the University of Louisiana System) effective May 1, 1975, with the exclusions of elective positions, part-time positions, fee basis, agricultural labor, or students. This modification covered services by the Teachers Retirement System of Louisiana and the State Employees Retirement System but who are ineligible to be members of such retirement systems.

Medicare - Mandatory Coverage:

State and local government employees hired after March 31, 1986 are subject to mandatory coverage of the Medicare-only portion of the FICA tax, if not already covered for full social security under a Section 218 agreement. Employees hired before April 1, 1986 have Medicare coverage only if there was a break in employment and employee was rehired after March 1, 1986.

Social Security - Mandatory Coverage:

Beginning July 2, 1991, most services performed for State and local government employees by individuals who are not members of the employer's qualified retirement system are mandatorily covered by Social Security and Medicare, if not already covered under a Section 218 agreement.

State of Louisiana Employers with Section 218 Coverage may have Employees in the following Categories:

1. **Social Security and Medicare** by virtue of a Section 218 Agreement.
2. **Social Security and Medicare** by virtue of not having or participating in a retirement system, that meets the qualifications in the IRS Regulations implementing mandatory Social Security.
3. **No Social Security or Medicare** because the employee is a member of a qualified retirement plan and was hired before April 1, 1986.
4. **Retirement and Medicare** because the employee was hired or rehired after March 31, 1986.

There are exceptions to every rule! Example, students are not subject to Social Security or Medicare for services performed in the employ of a school, college or university by a student who is enrolled and regularly attending classes at such institution.

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Before accepting a position covered by one of the public retirement systems in the State of Louisiana, consideration should be given to the effect this may have on your eligibility for future Social Security Benefits. For more information, contact you local Social Security Office or click here to visit their home page at <http://www.ssa.gov>.

For more information on Medicare, click here to visit their home page at <http://www.ssa.gov/mediinfo.htm>.

Two Provisions that affect Social Security Retirement that you may need to be aware of are:

- [The Windfall Elimination Provision](#)
- [Government Pension Offset](#)
- [Statement Concerning Your Employment in a Job Not Covered by Social Security](#)