

For Dept of L&I use only:

State SSA# 69-023 _____

TO: Secretary of Labor & Industry
Attention: Social Security for Public Employees Administrator
Room 1719-A Labor & Industry Building
Harrisburg, PA 17121

FROM: _____
County of _____
Federal Identification Number _____

RE: Plan and Agreement for Coverage of
Public Employees under the Federal Social Security Program

The above-captioned Political Subdivision, pursuant to the provision of the Act of 1951, P.L. 1833, as amended, and in accordance with the authority vested in the Political Subdivision by and under a Resolution/Ordinance, a certified copy of which is submitted herewith, hereby presents the following Plan and Agreement to extend to its employees the basic protection accorded by the Federal Social Security Act.

Subject to his/her approval of this Plan and Agreement, the Secretary of Labor & Industry (hereinafter called State Agency), is hereby authorized, in accordance with the terms and conditions stated below, to include this Political Subdivision in any modification of the Federal-Commonwealth Agreement entered into between the Commonwealth of Pennsylvania and the Federal Commissioner of Social Security pursuant to Section 218 of the Federal Social Security Act.

1. Definitions

- (a) The term "Enabling Act" means the Act of 1951, P.L. 1833, as such Act has been and may be from time to time amended.
- (b) The term "Federal Insurance Contributions Act" means subchapter A of Chapter 9 of the Federal Internal Revenue Code, as such Code has been and may be from time to time amended.
- (c) The term "Social Security Act" means the Act of Congress approved August 14, 1935, Ch. 531, 49 Stat. 620 (including rules and regulations issued pursuant thereto), as such Act has been and may be from time to time amended.
- (d) The term "coverage group" means a coverage group as defined in Section 218(b)(5) of the Social Security Act, and, for the purpose of 218(c) of the Act only, the term shall also mean a coverage group as defined in Section 218(d)(4) of the Act.
- (e) The term "retirement system" means a pension, annuity, retirement, or similar fund or system established by the Political Subdivision or by the Commonwealth.
- (f) The term "ineligible" means an individual as defined in Section 218(c)(3)(C) of the Social Security Act. Individuals covered under this class of services shall continue to be

covered by this Plan and Agreement should they hereafter become eligible to be a member of the retirement system.

- (g) The term “wages” means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which even if it were paid for employment within the meaning of the Federal Insurance Contributions Act, would not constitute wages within the meaning of the Act.
- (h) The term “employee” means the employee as defined in Section 210(j) of the Social Security Act and shall include an officer of this Political Subdivision.
- (i) The term “employment” means any services performed by an employee of this Political Subdivision, including service performed by an employee in a position which is eligible for coverage under a retirement system, where such employee is not personally eligible to become a member of such retirement system, except:
 - 1. Services performed by an employee who is employed to relieve him/her from unemployment;
 - 2. Services performed in a hospital, home, or other institution by a patient or inmate thereof;
 - 3. Covered transportation services (as defined in Section 210(k) of the Social Security Act;)
 - 4. Services (other than agricultural) excluded from employment by any provision of Section 210(a) of the Social Security Act, other than paragraph (7) of such Section; [modified in 1990 to delete services performed by a student];
 - 5. Services performed by an employee who is eligible to become a member of a retirement system as to which the Governor has not issued a certificate to the Federal Commissioner of Social Security in accordance with Section 218(d)(3) or (7) of the Social Security Act;
 - 6. Services performed on or after January 1, 1968, by an employee serving on a temporary basis in case of emergency;
 - 7. Services in any class of elective positions;
 - 8. Services performed in any class of elective positions the compensation for which is solely by fees.
 - 9. [List other optional exclusions, if any.]

II. Benefits

Approval of this Plan and Agreement by the State Agency and the inclusion of the Political Subdivision in the Federal-Commonwealth Agreement shall have the effect of making all employees covered by this Plan and Agreement eligible for Social Security benefits on the same basis as though the Services rendered constituted employment within the meaning of Title II of the Social Security Act.

III. Contributions

- (a) For covered wages paid after December 31, 1986, the political subdivision must file returns with the Internal Revenue Service and deposit FICA taxes through the Federal Tax Deposit (FTD) system on prescribed forms, in accordance with Section 3121 of the Internal Revenue Code. [Modified in 1999 to remove references to covered wages paid before December 31, 1986.]
- (b) In consideration of an employee's retention in or entry upon employment after approval of this Plan and Agreement, the Political Subdivision hereby agrees, pursuant to the authority contained in the Enabling Act, as amended, and in manner specified by law, to impose upon each of its employees, as to services which are covered by this Plan and Agreement, a contribution with respect to his/her wages not exceeding the amount of taxes which could be imposed by Section 3101 of the Federal Insurance Contributions Act, and to deduct the amount of such contributions from his/her wages as and when paid. The failure of the Political Subdivision to deduct such contributions shall not relieve the employee or the Political Subdivision of liability therefore.
- (c) The Political Subdivision hereby agrees to adopt such methods of financing as are determined to be necessary for the proper execution of the Plan and Agreement. The source from which the funds necessary to make up the balance of the liability of the Political Subdivision shall be the General Fund, and to assure that such source shall be adequate for such purpose, sufficient funds shall be budgeted annually to meet this obligation.
- (d) For reporting periods after December 31, 1986, late payments of taxes due are subject to the interest rate on underpayments determined under Section 6621 of the Internal Revenue Code. [Modified in 1999 to remove references to covered wages paid before December 31, 1986.]

IV. Modification of Plan and Agreement

This Plan and Agreement shall be modified at the request of the Political Subdivision or in accordance with law to include any coverage group or additional services not now within the Plan and Agreement, such modification to be consistent with the provisions of the Social Security Act and Enabling Act, as amended.

V. Compliance with Regulations

The Political Subdivision shall comply with such rules and regulations as the State Agency may prescribe to facilitate efficient administration of this Plan and Agreement and enable the Commonwealth to carry out its Agreement with the Federal Government.

VI. Administration

- (a) The Political Subdivision hereby agrees to adopt such methods of administration as are found by the State Agency to be necessary for the proper and efficient administration of the Plan and Agreement, including cooperation with the State and the appropriate Federal Agencies. The Political Subdivision agrees that the State and Federal Agencies are charged with the responsibility of determining the extent of coverage.
- (b) The Political Subdivision hereby appoints _____ (name and title) as the person to be responsible for the local administration of this Plan and Agreement.

VII. Operative Date

This Plan and Agreement shall be operative as of the 1st day of _____ (month), _____ (year), and shall be binding as of the date the Agreement between the Federal Commissioner of Social Security and the Commonwealth is made applicable to the Political Subdivision.

Attest: _____ (Name of Entity)

(Signature) By: _____ (Signature)
(Type Name & Title here)

Approved this _____ (date) day of _____ (month), _____ (year).

(Signature)

Secretary of Labor & Industry
State Agency

Form No. SSPE-P&A
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