

Key Dates

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January 1, 1951

Beginning this date, states could voluntarily elect social security coverage for public employees not covered under a public retirement system (FICA replacement plan) by entering into a Section 218 Agreement with SSA. Prior to this date, there was no mandatory social security coverage.

January 1, 1955

Beginning this date, states could extend social security coverage to employees (other than police officers and firefighters) covered under a public retirement system.

July 1, 1966

Beginning this date, employees covered for social security under a Section 218 Agreement are automatically covered for Medicare.

April 20, 1983

Beginning this date, coverage under a Section 218 Agreement cannot be terminated unless the governmental entity is legally dissolved.

April 1, 1986

State and local government employees hired on or after this date, not already covered, are mandatorily covered for Medicare, unless the position is specifically excluded by law. For state and local government employees hired before April 1, 1986, Medicare coverage may be elected under a Section 218 Agreement.

January 1, 1987

Beginning this date, State Social Security Administrators were no longer responsible for collecting social security contributions from public employers or for verifying and depositing the taxes owed by public employers. After 1986, public employers pay Federal Insurance Contributions Act (FICA) taxes directly to the Internal Revenue Service (IRS) in the same manner as do private employers.

July 2, 1991

Beginning this date, state and local government employees became subject to mandatory social security and Medicare coverage, unless they are (1)

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members of a qualifying public retirement system, or (2) covered under a Section 218 Agreement.

August 15, 1994

The Social Security Independence and Program Improvements Act of 1994 established the SSA as an independent agency, effective March 31, 1995. This Act also increased the FICA exclusion amount for election workers from \$100 to any amount less than the threshold amount mandated by law in a calendar year. (To verify the current year amount, see the SSA website.) States were authorized to amend their Section 218 Agreements to increase the FICA exclusion amount for election workers to the statutorily mandated threshold. The Act also amended Section 218 of the Act to allow all states the option to extend social security and Medicare coverage to police officers and firefighters who participate in a public retirement system. (Under previous law, only 23 states were authorized to do so.)

October 21, 1998

Public Law 105-277 provided a 3-month period for states to modify their Section 218 Agreements to exclude from coverage services performed by students. This provision was effective July 1, 2000, for states that exercised the option to take this exclusion.

March 2, 2004

Public Law 108-203 enacted, requiring public employers to furnish Form SSA-1945 to public employees hired after December 31, 2004, informing them that they are earning retirement benefits not covered by social security; also closed the Government Pension Offset (GPO) loophole, effective April 1, 2004.