



The California State University
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4411

Date: March 3, 2005

Code: TECHNICAL LETTER
HR/Benefits 2005-05

To: Associate Vice Presidents/Deans, Faculty Affairs
Human Resources Directors

From: Cathy Robinson 
Assistant Vice Chancellor
Human Resources Administration

Cordelia Ontiveros 
Senior Director
Academic Human Resources

Subject: Required Notification for Employees in Jobs Not Covered By Social Security

This Technical Letter is to inform you that the Social Security Protection Act of 2004 (SSPA), Public Law 108-203, became effective January 1, 2005. The SSPA (specifically, Section 419(c)) requires the California State University (CSU) to provide individuals who are offered employment January 1, 2005, or later, in positions not subject to Social Security coverage a Statement Concerning Your Employment in a Job Not Covered by Social Security (CSU FORM SSA-1945) before employment begins. New employees must sign this form and return it to CSU. This notice describes how the following two provisions may affect future Social Security benefits for individuals whose CSU employment is not covered by Social Security:

1. Windfall Elimination Provision

Under the Windfall Elimination Provision, the Social Security retirement or disability benefit is figured using a modified formula when an employee also is entitled to a pension from a job where he/she did not pay Social Security tax. As a result, the employee will receive a lower Social Security benefit than if he/she were not entitled to a pension from the CSU job.

For example, if an employee reaches age 62 in 2005, the maximum monthly reduction in his/her Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, the Social Security benefit.

2. Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which an employee may become entitled will be offset if he/she also receives a Federal, State, or local government pension based on work where the

Distribution:

Vice Chancellor, Human Resources
CSU Presidents
Benefits Officers
Payroll Managers
Director, SOSS

employee did not pay Social Security tax. The offset reduces the amount of the Social Security spouse or widow(er) benefit by two-thirds (2/3) of the amount of the employee's pension.

For example, if the employee receives a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset the Social Security spouse or widow(er) benefit. If the employee is eligible for a \$500 widow(er) benefit, he/she will receive \$100 per month from Social Security (\$500-\$400 = \$100).

These provisions do not affect Medicare benefits.

CSU Requirements

The CSU is required to provide a copy of the SSA-1945 statement to the following types of employees:

- Public Safety employees who participate in the CalPERS public safety retirement plan and do not pay Social Security taxes;
- Student employees who are exempt from paying social security taxes, including those who do not contribute to a retirement system;
- Employees who are exempt from paying social security taxes due to non-resident alien tax status; or
- Part-time, seasonal and temporary employees who participate in a defined contribution plan in lieu of Social Security (DPA PST Retirement Plan and the UCDC plan) authorized by the Omnibus Budget and Reconciliation Act (OBRA).

To assist campuses with this new requirement, Human Resources Administration created the following forms for campus use:

1. *Information about Social Security Form SSA-1945 "Statement Concerning Your Employment in a Job Not Covered by Social Security" (Attachment A) and*
2. *CSU FORM SSA-1945 "Statement Concerning Your Employment in a Job Not Covered by Social Security" (Attachment B).*

Campuses are required to:

- Provide the attached Statement Concerning Your Employment in a Job Not Covered by Social Security to the employee prior to the start of employment;
- Obtain the employee's signature on the form; and
- Submit a copy of the signed form to the appropriate pension-paying agency, if appropriate.

For employees eligible for the UCDC Plan mail a copy of the completed and signed form to:

**UC HR/Benefits
Records Management
P.O. Box 24570
Oakland, CA 94623-1570**

Forms for employees eligible for CalPERS membership should be mailed to CalPERS at:

CalPERS – Form SSA-1945
P.O. Box 942715
Sacramento, CA 94229-2715

Please note that it has been determined that forms for employees eligible for the DPA PST plan do not need to be mailed to the PST plan, as it does not meet the criteria of a pension-paying agency.

Questions regarding this Technical Letter may be directed to Human Resources Administration at (562) 951-4411. This Technical Letter is also available on Human Resources Administration's Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

CR/mh

Attachments



INFORMATION ABOUT SOCIAL SECURITY FORM SSA-1945 STATEMENT CONCERNING YOUR EMPLOYMENT IN A JOB NOT COVERED BY SOCIAL SECURITY

LEGAL REQUIREMENT

The Social Security Protection Act of 2004 (SSPA), Public Law 108-203, requires State, including the California State University (CSU), and local government employers to provide a statement to employees hired January 1, 2005, or later, in a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

CSU FORM SSA-1945, Statement Concerning Your Employment in a Job Not Covered by Social Security, is the document campuses should use to meet the requirements of the law. CSU FORM SSA-1945 explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect a Social Security benefit received as a spouse or an ex-spouse.

In accordance with the Social Security Protection Act of 2004, employers must:

- Give the statement to the employee prior to the start of employment;
- Obtain the employee's signature on the form; and
- Submit a copy of the signed form to the pension-paying agency, if appropriate.

Social Security will not be setting any additional guidelines concerning the use of this form.

WHO MUST SIGN THE FORM

All new hires who fall into the following categories must complete the form:

- *Public Safety employees who participate in the CalPERS public safety retirement plan and do not pay Social Security taxes;*
- *Student employees who are exempt from paying social security taxes, including those who do not contribute to a retirement system;*
- *Employees who are exempt from paying social security taxes due to non-resident alien tax status; or*
- *Part-time, seasonal and temporary employees who participate in a defined contribution plan in lieu of Social Security (DPA PST Retirement Plan and the UCDC plan) authorized by the Omnibus Budget and Reconciliation Act (OBRA).*

FORM COMPLETION DEADLINE

Employees in above categories must receive, complete and sign the form prior to the start of employment. Please note: an employee must complete the form each time he or she is newly hired or rehired in a new appointment in one of the above categories.

COMPLETING THE FORM

The designated University representative responsible for disseminating the form must make sure that the form is filled out completely and includes a signature and date.

DISTRIBUTION OF SIGNED FORM:

For employees eligible for the UCDC plan, please mail form to:

UC HR/Benefits - Records Management
P.O. Box 24570
Oakland, CA 94623-1570

For employees eligible for CalPERS membership, please mail form to:

CalPERS – Form SSA-1945
P.O. Box 942715
Sacramento, CA 94229-2715

Note: Do not mail forms for the DPA PST Plan, as this plan does not meet the criteria of a pension-paying agency.

ADDITIONAL INSTRUCTIONS:

Provide a photocopy of the form to the employee.



**CSU FORM SSA-1945
 STATEMENT CONCERNING YOUR EMPLOYMENT IN A JOB NOT
 COVERED BY SOCIAL SECURITY**

EMPLOYEE AND CAMPUS INFORMATION	
EMPLOYEE NAME (Last, First, Middle Initial)	EMPLOYEE ID #
CAMPUS	DEPARTMENT

Please be advised that your earnings from this position are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this position. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension benefit may affect the amount of the Social Security Benefit you receive. Your Medicare benefits, however, will not be affected.

Under the Social Security law, there are two (2) ways your Social Security benefit amount may be affected:

1. Windfall Elimination Provision

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job.

For example, if you are age 62 in 2005, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit.

2. Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State, or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds (2/3) of the amount of your pension.

For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$500 widow(er) benefit, you will receive \$100 per month from Social Security (\$500-\$400 = \$100). Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65.

FOR ADDITIONAL INFORMATION

For more information, please refer to Social Security Publications **“Windfall Elimination Provision,”** and **“Government Pension Offset Provision.”** These publications, and additional pertinent information, including information about exceptions to each provision, are available at www.socialsecurity.gov. You may also call toll free at (800) 772-1213, or the TTY number at (800) 325-0778, or contact your local Social Security Office.

REQUIRED SIGNATURE

I certify that I have received CSU FORM SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security benefits.

SIGNATURE OF EMPLOYEE	DATE
CAMPUS NAME	EMPLOYER ID#

Privacy Notice

The Information Practice Act of 1977 (Civil Code Section 1798.17) and the Federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals.

The principal purpose for requesting information on this form is to verify your identity, and to comply with federal law. CSU policy and state and federal statutes authorize the maintenance of this information.

It is mandatory to furnish all information requested on this form.

CSU requires employee's social security number and name for identification purposes. Legal references authorizing maintenance of this information include Government Code Sections 1151 and 1153, Sections 6011 and 6051 of the Internal Revenue Code, and Regulation 4, Section 404.1256, Code of Federal Regulations, under Section 218, Title II of the Social Security Act.

Information provided on the form will be forwarded to the appropriate governmental agency. The official(s) responsible for the maintenance of the forms is:

UC HR/Benefits
Records Management
P.O. Box 24570
Oakland, CA 94623-1570

CalPERS – Form SSA-1945
P.O. Box 942715
Sacramento, CA 94229-2715

Please note: Forms for employees eligible for the DPA PST plan are not mailed to that agency because the plan does not meet the criteria of a pension-paying agency.