



TO: UA Temporary Employees / Rehired Retirees

RE: Exemption or Eligibility for Social Security Tax Withholding

The University of Alaska opted out of Social Security effective January 1, 1982. PERS, TRS, and ORP are all considered full replacement plans for Social Security, and are also referred to as “public retirement systems.” This means that these plans meet the requirements to be used as an alternative to mandatory Social Security coverage.

One of the requirements of mandatory Social Security coverage for public employers with these alternative replacement retirement plans is that rehired annuitants are excluded from Social Security tax withholding, even if the position for which they’re rehired is not a participating position (i.e., temporary staff or adjunct faculty).

What is a rehired annuitant? A former participant in a public retirement system (PERS, TRS, or ORP), who has retired from service, or has reached the normal retirement age under the retirement system, and is rehired by the same employer or a different public employer that maintains positions under the same retirement system. It doesn’t matter if the former participant is actually receiving benefits, or is still accruing a benefit under the retirement system. In other words, if you were previously working for any employer in Alaska as a participating employee in PERS, TRS, or ORP, and you are eligible to receive a benefit by virtue of age and vesting status, you are excluded from mandatory Social Security coverage.

Who is subject to mandatory Social Security coverage? Since July 2, 1991, University of Alaska employees who are not covered by a qualifying retirement system, other than rehired annuitants, must be covered under Social Security.

What about Medicare? Employees first hired before April 1, 1986, are exempt from Medicare as long as they don’t have a break in service with their employer. Changing jobs within the same employer is not considered a break in service. However retirement is considered a break in service, even if you come back to work the next day as a temporary employee.

What do I need to do now? Please review the attached Temporary Employee / Rehired Retiree Exemption from Social Security form to verify your exemption or eligibility for Social Security, and return it to your regional human resources (HR) office within 10 days. If this form is not received, HR must make a determination based on information available to them, which may or may not be appropriate for your situation.

For more information, refer to IRS Publication 963, section 6, at [www.irs.gov](http://www.irs.gov).

If you have questions, please contact your regional human resources office; contact information is available at [www.alaska.edu/hr/contact-hr/](http://www.alaska.edu/hr/contact-hr/).



# University of Alaska

[www.alaska.edu/benefits](http://www.alaska.edu/benefits)

## Temporary Employee / Rehired Retiree Exemption from Social Security

Upon hire in a temporary staff or adjunct faculty position, the employee *must* complete this form and submit it to their regional human resources office.

Employee ID	TKL	Work Phone
Last Name	First	M.

Select your response for each statement below:

I am eligible to receive or am currently receiving benefits from the State of Alaska PERS or TRS plan.

**Note:** "Eligible" means that you are vested in PERS or TRS by meeting the plan's minimum age or years of service requirement for full retirement benefits or are receiving early retirement benefits, and are not an "Active Member" contributing to PERS or TRS with another participating employer in the state.

- Yes \*       No, I am not eligible for PERS/TRS retirement

I am vested under the University of Alaska's Optional Retirement Plan (ORP), and I have attained full retirement age (60).

- Yes \*       No, I am not eligible for ORP retirement

\* I was a participant of PERS/TRS/ORP from \_\_\_\_\_ (year) to \_\_\_\_\_ (year)  
*(estimated years are sufficient)*

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

A "rehired annuitant" is a retiree who is rehired by his or her employer or another employer that participates in the same retirement system as the former employer. A rehired annuitant is either receiving a retirement benefit from that retirement system, or has reached retirement age under the retirement system.

Rehired annuitants are excluded from mandatory Social Security coverage. Per the IRS, **this means they are not permitted to contribute to Social Security**. Retirees rehired after March 31, 1986, are subject to Medicare tax regardless of whether or not they qualify as a rehired annuitant for Social Security purposes.

See IRS Publication 963, section 6, for more information.

### Campus HR Office Use Only:

- Employee is a rehired annuitant from PERS or TRS and exempt from Social Security FICA tax withholding. Medicare withholding is mandatory.
- Employee is vested in ORP, is at least age 60, and is exempt from Social Security FICA tax withholding. Medicare withholding is mandatory.
- Employee is not exempt from Social Security.
- Employee's status has been verified with State of Alaska Division of Retirement and Benefits.

In lieu of employee signature above, regional HR director, CHRO or designee signature to authorize exemption:

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

Form Rec'd: \_\_\_\_\_ Effective Date: \_\_\_\_\_ Entered by: \_\_\_\_\_

- FICA Old Age (040) = **Exempt**    Reference: **Retiree**       FICA Medicare (030) = **Active**