



SOCIAL SECURITY MAJORITY VOTE - Q & A UPDATE

ISSUED 10/29/2014

Based on information just received by PERA from the Social Security Administration, two questions and answers on pages 3 and 4 in the informational document provided with the Notice of Referendum to Correctional Plan members need to be updated as follows.

If the majority vote fails to pass the referendum, will I get a refund of any past Social Security employee contributions?

If the majority referendum does not pass, the Social Security Administration (SSA) encourages you and/or your employer to request a refund from the Internal Revenue Service (IRS) of the Social Security contributions that you previously paid on your correctional service wages. (The SSA refers to these as overpaid contributions.)

To obtain a refund of past employee Social Security contributions, you should apply to your employer. However, the refund of past Social Security contributions will be limited to the IRS statute of limitations period (currently 1/1/2011 to the last date in 2015 in which you make a contribution, if the refund request is made to the IRS by 4/15/2015). No refund can be requested back to the date you became a new member of the Correctional Plan if before 2011.

When a refund is made, the wages previously recorded in the employee's Social Security record will be removed for the period in which the payment covers. In some situations, this reduction could result in insufficient credits (less than 40) to qualify for future Social Security retirement benefits.

At this time, there is no known national policy that would compel you and/or the county to request the refunds, or that would require removal of the associated past wages by the SSA if the employee and/or employer refunds are not taken.

Are any former plan members affected by the vote outcome?

If the county's majority referendum passes, PERA will execute a Section 218 Agreement to sanction the Social Security coverage of former Correctional Plan members and ensure that they retain the credits they have earned as county employees.

If the majority referendum does not pass, the SSA encourages the individuals and/or the county to request a refund of the contributions that would be considered overpaid and that fall within the statute of limitations period. When a refund is made, the wages previously recorded in the employee's Social Security record will be removed for the period in which the payment covers.