

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: September 19, 2019

Item description/summary:

CalPers Administration for Section 218 Agreements.

Section 218 Agreement is a voluntary agreement under Section 218 of the Social Security Act between a state and the Social Security Administration (SSA) to provide Social Security and Medicare coverage to state and local government employees. This term also refers to a state or local government agency's agreement with CalPERS to modify the state's Section 218 Agreement to cover the agency's employees. OPUD's agreement 1952 agreement is attached.

CalPERS is California's designated Social Security Administration administrator and responsible for administering Section 218 Agreements for all California public agencies. CalPERS's other responsibilities in that role include processing agreement modifications, educating employers about Social Security and Medicare coverage, and collecting and reporting coverage information to the SSA through the annual information request.

Since 1987, CalPERS has been paying for the cost of providing those services using interest from the Social Security and Medicare tax holding account. However, according to CalPERS, that fund has diminished to the point that it can no longer be used to pay those expenses. The SSA does not fund the SSSA program, and CalPERS is prohibited from using any retirement funds for that purpose. As a result, CalPERS must collect fees to pay the administrative expenses required to continue the program.

Fiscal Analysis:

CalPERS will assess an annual maintenance fee for all employers with an existing Section 218 Agreement. The annual maintenance fee is based on the number of employees currently working for the public agency according to the following table:

| Number of Employees | Annual Maintenance Fee |
|---------------------|------------------------|
| 1 – 4 | \$200 |
| 5 – 9 | \$250 |
| 10 – 19 | \$300 |
| 20 – 49 | \$400 |
| 50 – 99 | \$500 |
| 100 – 249 | \$1,000 |
| 250 – 499 | \$1,500 |
| 500 – 999 | \$2,000 |
| 1000+ | \$2,500 |

OPUD's annual cost will be \$500.00.

Sample Motion:

Informational item

Prepared by:

Karin Helvey, Financial Manager

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MODIFICATION NO. 6

NO. 345 - 371

Approved 6/4/52

TO CALIFORNIA STATE SOCIAL SECURITY AGREEMENT

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The Federal Security Administrator and the State of California acting through its representative designated to administer its responsibilities under the Agreement of March 9, 1951, hereby accept as additional coverage groups under said agreement and acknowledge the full applicability of the original agreement to the following:

See attached Appendixes A, B, C, D, and F, which by this reference are incorporated herein.

The effective date for coverage of the groups listed in Appendix A shall be January 1, 1951.

The effective date for coverage of the groups listed in Appendix B shall be July 1, 1951.

The effective date for coverage of the groups listed in Appendix C shall be October 1, 1951.

The effective date for coverage of the groups listed in Appendix D shall be January 1, 1952.

The effective date for coverage of the groups listed in Appendix E shall be April 1, 1952.

Approved for the State of California this 28th day of April, 1952.

STATE OF CALIFORNIA

Original Signed by
James S. Dean

By JAMEE E. DEAN, Director of Finance

Approved by the Federal Security Administrator this 18th day of June, 1952. O.C.F.

OSCAR H. EWING
Federal Security Administrator

By O.C.Fogge
O. C. Fogge, Director

1. Brisbane County Water District **69-0930352**

- a. Excluded Services:
 - (1) All services in any class or classes of elective positions.
 - (2) All services in any class or classes of positions the compensation for which is on a fee basis.
- b. Authorized Agent: Virginia H. Woodard
 - (1) Title: Secretary
 - (2) Address: P. O. Box 377, Brisbane, California
- c. Effective Date of Coverage: October 1, 1951
- d. Approximate Number of Employees Covered: 3

2. City of Oceanside **69-0930353** *See mod. 66 to restrict to Prop function of Water Dept*

- a. Excluded Services:
 - (1) Any service of an emergency nature.
 - (2) All services in any class or classes of elective positions
 - (3) All services in any class or classes of part-time positions.
 - (4) All services in any class or classes of positions the compensation for which is on a fee basis.
- b. Authorized Agent: James A. Neal
 - (1) Title: City Administrator
 - (2) Address: City Hall, Oceanside, California
- c. Effective Date of Coverage: October 1, 1951
- d. Approximate Number of Employees Covered: 15

3. Olivehurst Public Utility District **69-0930354** /

- a. Excluded Services:
 - (1) All services in any class or classes of elective positions
 - (2) All services in any class or classes of positions the compensation for which is on a fee basis.
- b. Authorized Agent: John A. McBee
 - (1) Title: Clerk and ex-officio Secretary