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Director

November 5, 2008

**An Open Letter from the State Of Missouri Social Security Administrator to Missouri School District Administrators and Employees Regarding Social Security Requirements**

**Government Entities Involved and Their Roles**

The **U.S. Social Security Administration (SSA)** is responsible for enforcing the Social Security laws and regulations that apply not just to Missouri school districts but to all United States state and local governmental entities. They treat Missouri school districts no differently than any other government or political subdivision.

The **U.S. Internal Revenue Service (IRS)** is responsible for conducting audits of governments and political subdivisions to ensure those entities correctly apply Social Security laws and regulations including what positions are covered.

In 1951 Missouri statute designated the Director of Accounting within the Office of Administration as the **State of Missouri Social Security Administrator**. The Administrator is the single point of contact for Missouri governments and political subdivisions (including school districts) regarding Social Security. The Administrator works with the Social Security Administration (SSA) to obtain an understanding of how Social Security laws and regulations apply to Missouri governments and political subdivisions in order to communicate that information to those entities. As needed, the Administrator works with SSA in order to obtain official determinations regarding positions that are or should be covered by Social Security.

If, as Administrator, we believe SSA has misinterpreted or misapplied Social Security laws and regulations as they relate to school districts, we work with them to resolve the issue. However, once they have made a determination, our responsibility is to communicate that determination to school districts and assist the districts in applying the determination.

**Background**

As many of you know on October 22 we sent a letter to school districts regarding how Social Security applies to certain school district positions. Unfortunately, despite our best efforts to ensure this information was accurately and timely communicated, we have found some entities have put forth erroneous information.

As the State Of Missouri Social Security Administrator, we are responsible for working with the SSA to ensure that their determinations are timely and based on the best available information. This latest issue initially arose as the result of an IRS audit. We then worked with the Department of Elementary and Secondary Education (DESE) and the Public School Retirement System (PSRS) to inform them about this issue and to solicit their help.

DESE has been extremely helpful in providing information needed to obtain determinations from SSA on a number of school district positions. They have also assisted us by communicating this issue to associations and other entities that represent teachers and administrators, such as the Missouri School Teachers Association (MSTA) and the Missouri Association of School Administrators (MASA).

Shortly after our October 22 letter, we started receiving emails and phone calls from school district administrators and employees. These individuals were typically quite alarmed. It soon became clear that they were misinformed on this issue. We soon determined that they received their erroneous and misleading information from the web sites of PSRS, MSTTA and MASA. In each case, the entity posted their information without sharing it with us in advance. Had they done so, we could have helped them correct the errors. Once we became aware of their postings we contacted them to get them to correct the information. Of course, this was too late for those of you who relied on the faulty information.

In the case of PSRS, they apparently are also using this erroneous information in training materials they are using with school districts.

Unfortunately, PSRS, MSTTA and MASA have misunderstood this issue and consequently failed to correctly describe the issues to you. Because they apparently failed to recognize that this is a federal statutory issue with broad application they encouraged you to lobby us, the governor, and your state and federal representatives and senators.

They included inflammatory language such as asking you to tell us "to stand up for Missouri educators and fight this decision by the Social Security Administration and IRS".

Thus, we were left with no recourse but to send this letter to you so you have the correct information and know whom to contact if you still have questions or concerns.

In order to facilitate getting correct information to employees and school districts we are asking **each school district to designate a single point of contact (SPOC) regarding Social Security issues**. All employees should communicate with their district's SPOC. The SPOC should contact us using the information below.

We have also received numerous questions from district employees about how this issue affects their Public School Retirement System (PSRS) retirement. Many of these employees are concerned about how Section 169.070, paragraph 9, RSMo applies to them and how to get this section changed. PSRS is responsible for answering these questions. Steve Yoakum is the PSRS Executive Director. He can be contacted at [syoakum@psrsmo.org](mailto:syoakum@psrsmo.org) or 573-638-1099.

#### **Getting SSA to Change Their Determinations**

SSA is applying federal laws and regulations nationwide. Any change would likely have to come through the federal legislative process. Given that the laws and regulations they are interpreting apply to all state and local governmental entities, there is no reason to believe that there would be interest in Washington to change laws and regulations simply for the sake of Missouri entities. In any case, these laws and regulations cannot be changed by the Governor, the Missouri legislature or by the Administrator. You may want to consult one or more of your education associations to find out what they are doing regarding this issue. We are available to assist them if they contact us.

#### **For More Information**

To find out the correct information on the Social Security aspect of this issue please refer to <http://oa.mo.gov/acct/ssa.htm>. If you have questions please email [218agreements@oa.mo.gov](mailto:218agreements@oa.mo.gov).

We hope the information we have provided is helpful to you.

Sincerely,

State Of Missouri Social Security Administrator

cc: Missouri State Board of Elementary and Secondary Education  
Board of Directors, Public School Retirement System  
Board of Directors, Missouri School Teachers Association  
Board of Directors, Missouri Association of School Administrators