

State of California

MEMORANDUM

To: PERSONNEL MANAGEMENT LIAISONS

Date: May 12, 1992

Reference Code: 92-54

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

PERSONNEL OFFICERS

From: Department of Personnel Administration

Subject: "PST" Retirement Plan Update

Independent Contractors

In our memorandum dated March 5, 1992 (Ref. Code 91-71), you were advised that "independent contractors" (individuals who are self-employed and who are performing services for the State under a contractual agreement) may be exempt from participating in the PST Retirement Plan. These individuals could be exempted by providing their Personnel Office with a copy of their prior year's Internal Revenue Service SS-8 form.

Based on additional information recently received, independent contractors paid by claim schedule are not eligible for participation in the PST. However, contractors in this status should file a copy of their prior year's Federal Schedule SE (Self-Employment Tax) with their personnel office, along with a letter signed by them certifying that they are paying Social Security taxes on the monies received from their State contract(s). It is suggested that personnel offices request Schedule SE's and letters on an annual basis.

Expert Examiners

We have been advised that some individuals in the Expert Examiner classification claim that they are independent contractors. Employees who make such claims must meet the following conditions to become exempt from the PST Plan: (1) they must be paid by claim schedule; and (2) they must provide the above documentation required of independent contractors.

Exemption for "Workers" Paid Less Than \$100

In our PML memo dated March 5, 1992, we listed employees who are exempt from participation. Number 11 stated "Election officials and workers paid less than \$100 in a calendar year." Some personnel offices have interpreted "workers" to mean all workers paid less than \$100. This interpretation is incorrect. Number 11 should read: Election officials and election workers paid less than \$100 in a calendar year.



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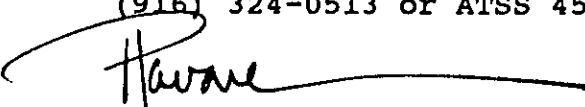
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Status on PST Retirement Plan Brochure and Form

The PST Retirement Plan brochure (Std. 950) is now available from State Stores. Complimentary copies were mailed to all Personnel Offices on Friday, May 8, 1992 (PML distribution). Also, please advise your supply clerks that the Department of General Services has changed the unit of issue. Originally you were told the brochure could be ordered by units of "each" at a cost of \$.35. You should now order these brochures by units of "package" (25 brochures per package) at a cost of \$8.75 (25 x \$.35).

If you have any further questions regarding the PST Retirement Plan, please feel free to call the Savings Plus Program office at (916) 322-5070 or ATSS 492-5070. Questions on this memorandum may be directed to Donna Uchman of my staff at (916) 324-0513 or ATSS 454-0513.


Patricia Pavone, Chief
Benefits and Training Division

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