

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> New Social Security Requirement	<b>REFERENCE NUMBER:</b> 2005-001
<b>DATE ISSUED:</b> 01/06/05	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Employee Benefit Officers  
Personnel Officers  
Personnel Transactions Supervisors  
Personnel Transactions Staff**

**FROM:** Department of Personnel Administration  
Benefits Division

**CONTACT:** Dave Christianson, Retirement Policy Advisor  
(916) 445-9779  
Fax: (916) 324-3213  
Email: Dave.Christianson@dpa.ca.gov

Effective January 1, 2005, the Social Security Administration requires individuals who are offered employment in positions not subject to Social Security coverage to sign a Statement Concerning Your Employment in a Job Not Covered by Social Security (Form SSA-1945) before the employment begins (copy attached). In addition, the hiring department is required to send a copy of the signed form to CalPERS.

To prepare this form for your new employee's signature, use the form attached to this PML (which already has the Employer Name and Employer ID# filled in for you) or click on the link above, which goes directly to the SSA's Form SSA-1945 Web page. If you use the link above, you will need to type "State of California" in the space for Employer Name and "5000" in the space for Employer ID#.

At the top of the form, the employee should **print** his or her name and Social Security number. The employee must sign and date the bottom of the form. Keep the original signed form in the employee's official personnel file. Send a photocopy of the form to:

CalPERS – Form SSA - 1945  
P.O. Box 942715  
Sacramento, CA 94229-2715

This form applies to individuals hired for positions that are subject to the State Safety, Peace Officer/Firefighter, and Highway Patrol retirement classifications; teachers who become members of the California State Teachers' Retirement System; and other positions not subject to Social Security coverage.

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Do **not** provide this form to individuals who are offered employment that is subject to the Part-time, Seasonal, Temporary (PST) Retirement Program. Such employment is expected to be temporary and, therefore, unlikely to result in the benefit limitations expressed in the form.

The purpose of this form is to make individuals aware that accepting employment that is subject to a retirement plan that excludes participation in Social Security could reduce the individual's future Social Security benefits or disqualify the individual from receiving Social Security benefits.

Employees requesting additional information should be directed to the Social Security Administration at 800-772-1213 or at [Form SSA-1945 Web page](#).

/s/ Debbie Endsley

Debbie Endsley, Chief  
Benefits Division

# Statement Concerning Your Employment in a Job Not Covered by Social Security

**Employee Name:** \_\_\_\_\_ **Employee ID** \_\_\_\_\_

**Employer Name:** State of California **Employer ID#** 5000

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

### **Windfall Elimination Provision**

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2005, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to the Social Security publication, "Windfall Elimination Provision."

### **Government Pension Offset Provision**

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension. For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$500 widow(er) benefit, you will receive \$100 per month from Social Security, \$500 - \$400 = \$100. Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to the Social Security publication, "Government Pension Offset."

### **For More Information**

Social Security publications and additional information, including information about exceptions to each provision, are available at [www.socialsecurity.gov](http://www.socialsecurity.gov). You may also call toll free 1-800-772-1213, or, for the deaf or hard of hearing, call the TTY number 1-800-325-0778, or contact your local Social Security office.

**I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security benefits.**

**Signature of Employee** \_\_\_\_\_ **Date** \_\_\_\_\_

**Information about Social Security Form SSA-1945,  
Statement Concerning Your Employment in a Job Not Covered by Social Security**

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later in a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945, **Statement Concerning Your Employment in a Job Not Covered by Social Security**, is the document that employers should use to meet the requirements of the law. The SSA-1945 explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect any possible Social Security benefit entitlement as a spouse or an ex-spouse.

Employers must:

- Give the statement to the employee prior to the start of employment;
- Get the employee's signature on the form; and
- Submit a copy of the signed form to the pension paying agency.

Social Security will not be setting any additional guidelines for the use of this form.

Copies of the SSA-1945 are available online at the Social Security website, [www.socialsecurity.gov/form1945](http://www.socialsecurity.gov/form1945). Paper copies can be requested by email at [oplm.oswm.rqct.orders@ssa.gov](mailto:oplm.oswm.rqct.orders@ssa.gov) or by fax at 410-965-2037. The request must include the name, complete address and telephone number of the employer. Forms will not be sent to a post office box. Also, if appropriate, include the name of the person to whom the forms are to be delivered. The forms are available in packages of 25. Please refer to Inventory Control Number (ICN) 276950 when ordering.