Whenever we face a situation concerning whether a rehired annuitant is to be covered under Social Security upon their return to employment for a State or Local Government employer, we always come to the same fork in the road that this couple up here is facing. Like them, we are in a quandary, and none too happy about it either.

Husband: All I asked you to do was read the map and keep us on course.

Wife: You could stop and ask somebody for directions, but “Oh, no” that would be a blow to your masculinity!

So, folks, do we go down Route 218 here on the left, or do we venture down the Mandatory Social Security Route 210 over there on the right?

I think the first stumbling block we face in handling rehired annuitant situations, is that we tend to first associate rehired annuitants with the exclusion to mandatory Social Security coverage under Section 210, and forget that rehired annuitants are just as likely to be affected by the Section 218 coverage provisions.
Okay, then. Let’s start off by looking at “what a rehired annuitant is.”

A rehired annuitant is:

1. A retiree of a State or political subdivision or instrumentality who participated in a retirement system AND ...

2. Who is rehired by his/her former employer or another employer that participates in the same retirement system as the former employer.

3. The rehired annuitant is either receiving a retirement benefit from the retirement system OR...

4. Has reached retirement age under that retirement system.

Please note, to be a rehired annuitant, the rehired annuitant’s current employer must have positions under the same retirement system that the rehired annuitant’s pension is coming from. This is the most critical component of the whole process. Without it, there is no rehired annuitant situation to deal with.
As I said before, we tend to associate the rehired annuitant with the Section 210 mandatory Social Security provisions and whether he/she is excluded from the mandatory Social Security provisions.

In the SLCH we rarely see the words “rehired annuitant” outside of the SL 50001 section.

Here’s the classic mandatory Social Security exclusion example, (pick someone from the audience): Here is Mr. / Ms. … . What is your name? (have participant and/or audience provide names) Now, Mr. / Ms. Name is:

- A rehired annuitant who retired last year from the town of (…..) and is entitled to a pension from the (State) PERS.
- By the way folks, our friends at IRS have determined that (State) PERS is a “qualifying” Soc. Sec. replacement plan.
- Mr. / Ms. Name got bored in retirement and decided to see if getting a job with the neighboring County of (…..) would get him/her out of the doldrums. So he / she got the job with the county, let’s say Waste management?"
- Name’s current job is not covered under the State’s Section 218 Agreement, nor is the job covered by a “qualifying” Soc. Sec. replacement plan. So the alarm starts sounding “Mandatory Soc. Sec. I Mandatory Soc. Sec. !”
- But, But, But. But, the County of (…) does have employee positions covered under (State) PERS, and because of that, as far as the mandatory Social Security provisions are concerned Name is deemed to still be a qualified participant in the retirement system. So Name, will you be paying into mandatory Social Security in this new job or not?
- Name is excluded from the mandatory Social Security provisions. Whereas an individual in the same position who is not a rehired annuitant, would be covered under mandatory Social Security. However, just because Name is excluded from mandatory Soc. Sec., doesn’t mean he/she is excluded from mandatory Medicare. Rehired annuitants rehired after March 30, 1986, do have to pay mandatory Medicare.

But we should never forget, when dealing with rehired annuitant situations that Section 218 (voluntary Social Security) takes precedence over Section 210 (mandatory Social Security). Thus, if the rehired annuitant occupies a position covered by a Section 218 agreement, then the rehired annuitant is covered for Social Security and Social Security taxes must be paid. When dealing with rehired annuitants its best to first explore whether the individual is covered for Social Security under the Section 218 provisions. So here, at the fork in the road, let’s follow the red arrow and head down Route 218 first.
The first thing you have to keep in mind is the applicability of Section 218 coverage toward the position the rehired annuitant currently occupies. Is the rehired annuitant’s position covered under the State’s Section 218 agreement? If the position is not covered under Section 218, is the position covered by a retirement system but the rehired annuitant is a retirement system ineligible? If a retirement system is not covered under Section 218 but the retirement system’s ineligibles are, then you continue down Route 218. (e.g. Missouri PSRS ineligibles in Category 1 school districts).

When going down Route 218, there are several possibilities to consider. Will the Rehired Annuitant’s new position be... an absolute coverage position, or a position under a Social Security covered majority vote retirement system, or under a divided vote retirement system; or something I’m seeing more and more with rehired annuitants...is the rehired annuitant a retirement system ineligible? Now, let’s see what’s down the absolute coverage path first.
An absolute coverage position is an employee position not covered by a retirement plan or system. If the position is an absolute coverage position, it is either covered for Social Security under the State’s Section 218 Agreement or it is not covered for Social Security under the Section 218 Agreement.

If the rehired annuitant is in an absolute coverage position that is not covered under the State’s Section 218 Agreement, we get the rehired annuitant off of the Section 218 road immediately and head the annuitant over there to the Section 210 road and see whether the annuitant will or will not be covered under the mandatory Social Security provisions.

Let’s take two more people out of the audience:

Person 1 – TRS-rehired annuitant- returns to Salisbury School District as a school bus driver, an absolute coverage position. Position is not covered under 218 Agreement.

Person 2 – TRS-rehired annuitant – returns to the Haywood County School System as a bus driver, an absolute coverage position which is covered under 218 agreement

Remember: if a position was covered for Social Security under the State’s Section 218 Agreement as an absolute coverage position, it will always be an absolute coverage position even if it is later put under a retirement system. “Once absolute coverage, always absolute coverage.” So when you are determining the Social Security coverage situation for a position, you need to check the coverage history of that position – what currently appears to be a retirement system position may, in fact, be originally covered for Social Security as an absolute coverage position.
So, here we are back at the beginning of Route 218. **Now,** we’re going to examine what happens if the rehired annuitant is placed in a retirement system covered position that has been brought under the State’s Section 218 Agreement following a referendum. Remember, under the Section 218 provisions, a position is a retirement system position as long as it is possible for someone to occupy the position and be a retirement system member because he/she is occupying that position.

- The outcome varies depending upon whether the rehired annuitant is allowed to join or rejoin the retirement system when placed in the current position.
- The outcome is also affected by whether the retirement system coverage group was covered for Social Security as the result of a majority vote or divided vote referendum.

**Let’s** continue down the Route 218 and **take the majority vote segment first.**
Before going down the majority vote segment, **we have to know** whether the retirement system group is covered under the State’s Section 218 Agreement.

- If the rehired annuitant is placed in a retirement system position **not covered** under the State’s Section 218 Agreement, stop and head that rehired annuitant down **Route 210** to see if the mandatory Social Security provisions apply.

- However, if the rehired annuitant is placed in a retirement system position that **is covered** under the State’s Section 218 Agreement, keep the rehired annuitant going down Route 218.

- So let’s continue to follow that rehired annuitant down the majority vote segment of Route 218. The journey is not quite over.
As the rehired annuitant ventures down the majority vote segment of Route 218, he/she will next encounter this fork. Although his/her current position may be covered by the retirement system, the rehired annuitant may be allowed to join the Section 218 covered retirement system (up there on the left), or the retirement system rules may not permit the annuitant to join (or in many cases “rejoin”) the retirement system.

Let’s first talk about what happens if the rehired annuitant is not permitted to join the retirement system. That often happens when the rehired annuitant is placed in a position covered by the same retirement system the annuitant’s retirement pension is coming from. In those cases where the rehired annuitant is not allowed to join the retirement system in their current position, the rehired annuitant is then a “retirement system ineligible” for Section 218 coverage purposes. Yes, there are times when a “rehired annuitant” is also a “retirement system ineligible.” Always keep the retirement system ineligible possibility in the back of your mind whenever dealing with rehired annuitant situations. We will deal more fully with retirement system ineligibles in just a few minutes.

Instead, let’s turn our attention now to those rehired annuitants who are allowed to join a Section 218 covered retirement system group in their current position – that pathway on the left. If the rehired annuitant is allowed to join or rejoin a retirement system coverage group that is covered for Social Security under the State’s Section 218 Agreement, the rehired annuitant will also be covered for Social Security. Remember: Section 218 takes precedence.
We’ve gone down the majority vote retirement system segment of Route 218 as far as we can go. Now, let’s go back to the 218 crossroads and see what happens when the rehired annuitant’s current position is under a retirement system that is covered by the State’s Section 218 Agreement as the result of a divided vote referendum.

So, let’s venture down the divided vote segment of Route 218. Let me warn you before hand there are more twists and turns and greater opportunity to get lost and come to erroneous conclusions.

(And you majority vote state people, don’t tune me out because you may find your selves up here acting out one of the examples.)
I know, I know…I can hear some of you saying, “He’s used that slide already.” That’s because the divided vote and majority vote share the same path for the first 100 yards or so before everything gets crazy.

If the rehired annuitant’s current position is covered by a retirement system coverage group that obtained Section 218 Social Security coverage as the result of a divided vote referendum, you have to go down route 218 first. “So, fasten your seat belts; it’s going to be a bumpy ride from here on in.”
I told you it was going to get screwy. Take a look at your choices. (Name the choices) The divided vote throws a curve regarding rehired annuitants that we don’t have to deal with in majority vote retirement situations: Does the rehired annuitant’s retirement system membership continue from his/her previous (read: “pre-retirement”) employment and does he/she retain their “no” vote as well? Take the path over on the left. **We mostly go down this path to see whether the annuitant retains their “no” vote.** It’s a two step issue: Step 1 is the rehired annuitant a “new” member of the retirement system?

Per SL 30001.334 G, whether a member who has a break in service after Social Security coverage was extended to the retirement system coverage group is considered a new member upon return to employment is a State matter. The State’s decision depends upon the provisions of the particular retirement system involved and on State law.

If the rehired annuitant is **not** a “new” member of the retirement system and his/her retirement system membership continues, then we go to **Step 2** which is a Social Security matter: Does the rehired annuitant retain his or her “no” vote.

If the rehired annuitant is **not** a “new” member of the retirement system under State law and the rehired annuitant is returning to the same employer or begins working for an employer in the same deemed retirement system coverage group as the former employer, then the rehired annuitant retains his/her “no” vote and doesn’t pay into Social Security. However, if the current employer is part of a different deemed retirement system group, the annuitant will **not** retain his/her “no” vote and will be placed in the current employer’s “yes” group.

(Use paper circles to demonstrate a single retirement system coverage group and deemed retirement system coverage groups.)

Where the annuitant was part of the “yes” group in their pre-retirement employment, they will remain part of the “yes” group whether their membership in the retirement system was determined to be continuous or not.
Now let’s consider the path on the right. **Rehired Annuitant treated as a “new” member of the retirement system. When might we deal with such situations?**

1. Let’s say the rehired annuitant’s current position is covered by the same retirement system that his/her pension is coming from. If **State law** and the **provisions of the retirement system** determine that the rehired annuitant is to be treated as a “new” **member** of the retirement system, then the rehired annuitant goes down the path on the right and is placed in the “yes” group of employees of the retirement system coverage group.

2. Or, you might have this situation: the rehired annuitant’s current position is covered by the same retirement system that his/her pension is coming from. **Step 1:** **State law** and the **provisions of the retirement system** determine that the rehired annuitant is not a “new” member of the retirement system, but membership has been continuous despite the break in service. **However,** in **Step 2,** due to the fact that the annuitant’s **current employer is not a part of the same deemed retirement system coverage group** as the annuitant’s pre-retirement employer, **SSA,** instead **determines** that for Section 218 coverage purposes, the **rehired annuitant is to be treated** as a “new” **member** of the retirement system and placed in the “yes” group.

3. Or, let’s say the **rehired annuitant’s current position** is covered under a **different retirement system** than the one his/her pension is coming from, and the current position was covered under the State’s Section 218 Agreement following a **divided vote referendum**. In this case the rehired annuitant, is truly a new member of the retirement system and must be placed in the “yes” group of employees of the retirement system coverage group.
Now, we come to the final path available at the divided vote crossroads. Probably, more often than not, rehired annuitants are not allowed to rejoin the retirement system in their current position due to their receipt of a pension from it. When that happens, the rehired annuitant also becomes a retirement system ineligible. And there’s a special place where retirement system ineligibles have to go to determine their fate. In order to get there, we have to go back up to the Route 218 crossroads to get to the retirement system ineligible segment of Route 218.
Before we start down the Retirement System Ineligible portion of Route 218. Let’s refresh ourselves with the retirement system ineligible definition. SL 30001.340 is the go-to place for information concerning “ineligibles.” Right up front in SL 30001.340A it states, “An ineligible is an employee who performs services in a position under a retirement system but who is personally ineligible for membership in that system because of a personal disqualification, e.g., age, length of service, number of hours worked, or date of hiring.” You can add to the list of disqualifications, “receiving a pension from that retirement system.” Thus, rehired annuitants who are not allowed to rejoin the retirement system when returning to work in a position covered by the retirement system are “Ineligibles.”

Before Section 218 coverage of ineligibles can even be considered, there must be language in the State’s Section 218 Agreement (either in the original Agreement – like Hawaii – or by a subsequent modification) which permits Social Security coverage of retirement system ineligibles. In that handful of States that do not permit ineligible coverage, you will not be coming down this portion of Route 218, you’ll head straight over to Route 210 and consider the applicability of the mandatory Social Security provisions.

For the rest of the States, you may have to venture down this road, if the rehired annuitant’s current employer has a Section 218 coverage mod that extends Section 218 coverage to ineligibles of a specific retirement system.
As you can see here, there are three ways that a Rehired Annuitant who is “ineligible” to join the retirement system in his/her current position can still be covered under Section 218. In these situations, always refer to the Ineligible coverage procedures in SL 30001.340. Let’s start off by looking at:

1. **The Rehired Annuitant is in a position under a non-covered retirement system but ineligible to join.** Prior to the advent of mandatory Social Security, a number of entities across the country obtained Social Security coverage for retirement system ineligibles this way. The entity’s retirement system coverage group was not interested in the least in Section 218 coverage, but the entity did not want its retirement system group ineligibles to be left out in the cold, so the entity obtained a modification that “piggy backed” the ineligibles of that retirement system on the entity’s existing absolute coverage group employees. One of the most memorable examples of the extension of Section 218 coverage to Ineligibles of a non-Social Security covered retirement system: PSRS ineligibles in over 470 Category 1 and some Category 2 School Districts in Missouri. If the entity does not have Section 218 coverage for the ineligibles of the retirement system group, then you need to go down Route 210 to see if the mandatory Social Security provisions apply to the rehired annuitant.

2. **The Rehired Annuitant is in a position under a majority vote retirement system group that has Section 218 coverage but is ineligible to join.** In this situation, remember SL 30001.324 and the fact that the majority vote coverage group includes “ineligibles; thus the rehired annuitant is covered under Section 218 even if he/she is ineligible to join the retirement system in their current position.
3. We now come to the last of the three retirement system ineligible pathways: **The Rehired Annuitant is in a position under a divided vote retirement system group that has Section 218 coverage but is ineligible to join.** Unlike in majority vote situations, Section 218 coverage is not automatic for ineligibles of a divided vote retirement system even if the divided vote retirement system group is covered under a Section 218 Agreement. Mary Griffin in Tennessee can tell you about that. The State may provide coverage for the retirement system coverage group’s in eligibles by either:

- **Including the ineligibles as part of the “yes” group in the retirement system group’s Section 218 coverage modification** – this is called covering the ineligibles “as part of the retirement system coverage group.” **OR**

- **Including the services of the ineligibles after the divided vote retirement system group has already been brought under the State’s Section 218 Agreement** – this is called covering the ineligibles “as an addition to the retirement system coverage group.” This would be done by a separate modification.

**However, the divided vote retirement system may choose not to include the ineligibles in its Section 218 coverage.** That’s what TCRS did in Tennessee, and when that happens, the rehired annuitant who happens to be a retirement system ineligible **will not be covered under Section 218. We must then see whether the mandatory Social Security provisions apply instead.** Since we have covered most of the scenic spots on Route 218, let’s head on over to Route 210 and see what awaits the rehired annuitant there.
Once we have exhausted all the Section 218 possibilities and have determined that the rehired annuitant is not covered under the provisions of Section 218, only then do we venture down Route 210 to see if the mandatory Social Security provisions apply. The funny thing is when we went down Route 218 we’re trying to see whether the rehired annuitant was covered for Social Security, but now, coming down Route 210, we are trying to see whether the rehired annuitant is excluded from Social Security coverage. When determining whether Section 210 mandatory Social Security applies to the rehired annuitant, the rehired annuitant is deemed to be a qualified participant in the retirement system whether he/she/ continues to receive a benefit from the retirement system or whether the retirement system suspends those benefits upon re-employment.

Thus, we have to remember that for the mandatory SS provisions the rehired annuitant is considered to still be a “member” of the retirement system. Why is that? Well here is my theory. The way I see it, the purpose of Mandatory Social Security is to serve as a safety net to ensure that all State and Local government employees have at the very least retirement coverage that is Social Security equivalent. The safety net is there to catch those that fall through “the cracks” either because their positions are not covered by the State’s Section 218 agreement or by a Social Security equivalent retirement plan or system. When we are dealing with a rehired annuitant, that individual should have already been captured by a “qualifying” retirement system; thus he/she doesn’t need the protection of Mandatory Social Security. However, if the rehired annuitant’s pension comes from a non-Social Security equivalent retirement system, then he/she is not excluded from mandatory Social Security unless his/her current position is excluded from mandatory Social Security. We have a busload of Annuitants that have to get to their proper destination. Let’s get going.
Coming down Route 210, our first turn-off is the “Rehired Annuitant’s new job is not covered under Social Security or a Retirement System.” A few annuitants are getting off here.

I think there has been a tendency when dealing with rehired annuitants to assume that a rehired annuitant’s pension will be from a “qualifying” (Social Security equivalent) retirement system. But that is not necessarily the case. We saw in Missouri where the non-teachers’ retirement system PEERS was a non-qualifying retirement system for over 30 years until 2000. And I’m sure there are others.

So when the rehired annuitant is placed in his or her new job, and the new job is not covered under SSA or a Retirement System; then we always need to ask, “Is the annuitant’s pension from a qualifying (Social Security equivalent) retirement system?”

If “yes,” he/she is considered to still be a “retirement system member” and is excluded from mandatory Social Security and will take the path to the left.

If “no,” then the rehired annuitant will have to be covered for mandatory Social Security and will take the path to the right, unless the position is excluded from mandatory Social Security (one of those positions listed in SL 50001.560).

The rest of our rehired annuitant don’t qualify for this turn-off. So, let’s get back on Route 210 and go to the next turn-off.
So we continue down Route 210 to the next turn-off – “The Rehired Annuitant’s new job is under a Non-Qualifying Retirement System.”

Now, if we were dealing with some new employee coming off the street into a job that was covered by a retirement system that is not Social Security equivalent, we would know right off the bat which pathway to send the newbie down. Right? Which one?

However, there are no newbies on our bus, just rehired annuitants. And when dealing with a rehired annuitant we always have to ask the question, “Is the rehired annuitant’s pension from a ‘qualifying’ (Social Security equivalent) retirement system?”

If the answer is yes, we exclude the annuitant from mandatory Social Security and send him/her down the pathway on the left.

If the answer is no, the rehired annuitant must be covered under mandatory Social Security and will be sent down the pathway on the right, unless the position itself is excluded from mandatory Social Security.

Some more annuitants got off at this turn-off, but there are still quite a few annuitants remaining on the bus, so let’s get back on Route 210 and go to the next turn-off.
Route 210 has now brought us into this quaint village and to the bus stop known as “Rehired Annuitant’s new job is **Covered** by a qualifying Social Security equivalent retirement system.” The name was so long they couldn’t fit it on a sign.

When we let the next batch of annuitants off here, once again, we ask the question, “Is the Rehired Annuitant’s pension from a qualifying Social Security equivalent retirement system.” Whether the answer is yes or no, it doesn’t matter. We don’t have to worry about them scattering left or right, they’ll all head down the street on the right. Why? Because they will all be excluded from mandatory Social Security because in their new jobs, they will be members of a qualifying retirement system. We can’t linger here; we still have annuitants to deliver to their destinations.
Our next stop on Route 210 is deep in the forest. It’s a bit lonely and spooky here. I would half expect to see the denizens of “The Walking Dead” or else Norman Bates coming back from cleaning up one his mother’s messes. That’s why our next batch of annuitants are hesitantly getting off the bus, but they have to because in their new job they are ineligible to join the retirement system, and the retirement system is not covered for Social Security. These folks have already tried their luck at the ineligible intersection on Route 218 back there on Slide 15 and found they did not qualify for Section 218 coverage. Now, they are here to see whether they will be covered for mandatory Social Security or whether they will be excluded from mandatory Social Security coverage.

As at all the stops along Route 210, we first have to ask the question, “Is the rehired annuitant’s pension from a qualifying Social Security equivalent retirement system?”

If the answer is yes, the rehired annuitant is excluded from mandatory Social Security and goes down the path on the left.

If the answer is no, the rehired annuitant must be covered under mandatory Social Security and will go down the path on the right, unless the position itself is excluded from mandatory Social Security.

I hope they get to their destination before dark; a full moon is predicted for tonight. So let’s hurry on our way, we still have one more batch of annuitants to deliver.
“All out for Hogwarts School!” Including those of you from States whose 218 agreements don’t permit coverage of ineligibles. What a fitting place to drop off the last batch of rehired annuitants. Because **you may need all the spells and incantations taught at Hogwarts to determine** how this final group of annuitants will or will not be covered for mandatory Social Security. Let’s face it; if you worked all those years under a Social Security covered retirement system, paying into Social Security because you were in the yes group; wouldn’t it make **sense** that when you return to work as a rehired annuitant for that same employer, in the same position, under the same retirement system that you would continue to pay into Social Security, even if you can’t rejoin the retirement system? But **“logic” and “sense” are not synonyms of Section 218.** Just ask the scores of school districts in Tennessee and the hundreds of teachers who were **TCRS rehired annuitants returning to TCRS covered positions.** Just **ask Mary Griffin.** If the **divided vote retirement system coverage group has failed to include ineligibles with the “yes” coverage group, then the ineligibles are not covered for Social Security** under the State’s Section 218 Agreement. Although **TCRS** got coverage under 218 as a single retirement system, it failed to obtain 218 coverage for TCRS ineligibles. Also, TCRS rules do not permit TCRS rehired annuitants to rejoin TCRS when they return to work in positions under TCRS coverage. Thus, the TCRS rehired annuitant becomes a TCRS ineligible. As we discussed back on **slide 16 at the Ineligible Intersection on Route 218**, when we have situations like this we then have to determine whether the rehired annuitant/retirement system ineligible is covered for mandatory Social Security or not. **As we have done at each stop on Route 210,** we have to ask, “**Is the rehired annuitant’s pension from a qualifying Social Security equivalent retirement system?**” If yes, the annuitant is still considered to be a retirement system member for mandatory Social Security purposes and is excluded from mandatory Social Security coverage. “Please queue to the left. Hagrid will be here shortly to escort you to the Quidditch field. The Gryffindor team is practicing there this afternoon; you may see Harry Potter himself.” If the answer is no, the rehired annuitant will be covered for mandatory Social Security, **unless the position itself is excluded from mandatory Social Security.** “All you who answered “No, please queue here on the right.** Professor McGonagall will now take you on the ‘Harry Potter Tour ’ of Hogwarts. Mind your head.”

Now that they’re all delivered, our rehired annuitant journey is over. We’ve made it through all the forks. (But before disembarking, let’s try our hand with a few scenarios.)
Dealing with the Forks in the Road:

The Scenarios

U.S. Route 218
(Voluntary Section 218 Social Security Coverage)

U.S. Route 210
(Section 210 Mandatory Social Security Coverage)
**Scenario 1:** The Town of Sharpsburg covered its employee positions under a Section 218 absolute coverage modification effective January 1, 1952. In 1957, all the Town’s employees were brought under the Municipal Employees Retirement System (MERS).

Rick formerly worked for the City of Monroeville in a position under MERS and was a member of MERS and since his retirement in June 2011 has been receiving a MERS pension. In early 2012, Rick returned to his boyhood home in Sharpsburg and soon learned that “Nostalgia isn’t what it used to be.”

After renovating his home, Rick was left with a lot of time to fill. A friend recommended that Rick check with the Town of Sharpsburg government for any openings. Rick got a job in the Human Resources Department, formerly called Personnel when created in 1945. The position is covered under MERS, but MERS rules do not permit MERS annuitants to rejoin the retirement system.

1. **Is this a rehired annuitant situation? Why?**

2. **Is Rick covered for Social Security in his new position? If “No”, do not answer the following questions.**

3. **If “Yes”, do the retirement system ineligible provisions come into play? Why?**

4. **If the answer to Question 2 is “Yes,” is Rick covered for Social Security under:**
   - (a) the voluntary Section 218 provisions or
   - (b) the Section 210 mandatory Social Security provisions?
Scenario 1: The Town of Sharpsburg covered its employee positions under a Section 218 absolute coverage modification effective January 1, 1952. In 1957, all the Town’s employees were brought under the Municipal Employees Retirement System (MERS).

Rick formerly worked for the City of Monroeville in a position under MERS and was a member of MERS and since his retirement in June 2011 has been receiving a MERS pension. In early 2012, Rick returned to his boyhood home in Sharpsburg and soon learned that “Nostalgia isn’t what it used to be.”

After renovating his home, Rick was left with a lot of time to fill. A friend recommended that Rick check with the Town of Sharpsburg government for any openings. Rick got a job in the Human Resources Department, formerly called Personnel when created in 1945. The position is covered under MERS, but MERS rules do not permit MERS annuitants to rejoin the retirement system.

1. Is this a rehired annuitant situation? Yes. Why? Current employer has positions under the same retirement system that Rick is getting his pension from.

2. Is Rick covered for Social Security in his new position? Yes. If “No”, do not answer the following questions.

3. If “Yes”, do the retirement system ineligible provisions come into play? No. Why? Because position is covered for Social Security as an absolute coverage position.

4. If the answer to Question 2 is “Yes,” is Rick covered for Social Security under:
   (a) the voluntary Section 218 provisions or
   (b) the Section 210 mandatory Social Security provisions?
   Answer: Rick is covered under a Section 218 coverage modification.
Scenario 2: During her many years of loyal and faithful service working for the State, Barbara T. had become well known and beloved by many. Had she wanted to run for State office, Barbara T. would have won hands down, defeating all opponents. However, she was quite content to remain in her position in the State Office of Employee Services, and not have to face the demands and pressures of life in the public eye. In her position, she was a member of the State and Public Employees Retirement System (SPERS), which had obtained Section 218 coverage as a single retirement system coverage group system-wide following a majority vote referendum.

The day did finally come when she felt it was time for a change, what kind of change she did not know, and after much soul-searching, she announced her decision to retire. At her retirement party, Barbara T. was asked by the Mistress of Ceremonies to reveal to the hundreds of people assembled there a fact about herself that no one knew. “What am I going to say?” she thought. So, Barbara T. took a deep breath and, to the astonishment of all those present, out flowed a moving story of physical and emotional adversities faced, of dreams dashed, of trust betrayed, and of victories snatched from her grasp, but still surviving. The audience was transfixed. Women were trying to staunch the flow of tears with flimsy tissues. The men grabbed the linen table napkins to muffle their sobs. At the end of her story, Barbara looked across a sea of tear-streaked faces and smiled, because she knew not a single word of her story was true – even the part about Handsome Harry. With that, she hoped to go into anonymous retirement as a SPERS annuitant. However, her audience mistook her smile as an inspirational symbol of triumph over tragedy. Almost immediately, the story took on a life of its own that went far beyond the confines of the State. Oprah, Dr. Phil and Charlie Rose all clamored to interview her; a cable channel offered Barbara a reality show; and Random House offered to publish her autobiography, with a ghost writer waiting in the wings if need be. To all these offers, Barbara repeatedly and emphatically said, “No.” “It was all a joke; not a word of that story was true!” but nobody believed her.

Six months later, after all the hubbub had died down, the Mayor of the Town of Overly Ridge where Barbara T. lived asked her if she would be willing to work in the Town’s Department of Recreation. This time she said, “Yes.” Although the position was covered by SPERS, she could not rejoin SPERS because she was receiving a SPERS pension; one less expense for the Town. Everything went well in her new job for several months, until one day a reporter from the Capital City Herald showed up at Barbara’s office asking questions… Now then,

1. Is this a rehired annuitant situation? Why?
2. Is Barbara T. covered for Social Security in her new position? If “No”, do not answer the following questions.
3. If “Yes”, do the retirement system ineligible provisions come into play? Why?
4. If the answer to Question 2 is “Yes,” is Barbara T. covered for Social Security under:
   (a) the voluntary Section 218 provisions or
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1. Is this a rehired annuitant situation? Yes. Why? Current employer has positions under the same retirement system that Barbara T. is getting her pension from.
2. Is Barbara T. covered for Social Security in her new position? Yes. If “No”, do not answer the following questions.
3. If “Yes”, do the retirement system ineligible provisions come into play? Yes. Why? SPERS will not let her rejoin, even in a position under SPERS, and SPERS is covered by a Section 218 coverage modification.
4. If the answer to Question 2 is “Yes,” is Barbara T. covered for Social Security under:  
   (a) the voluntary Section 218 provisions or  
   (b) the Section 210 mandatory Social Security provisions? 
   Answer: (a) under the voluntary Section 218 provisions.
Scenario 3: When Kevin worked for the Town of Greensboro he was a member of the Public Employees Retirement Plan (PERP). When the PERP members of the Town of Greensboro voted on Section 218 coverage as a deemed retirement system coverage group in a divided vote referendum, Kevin voted “No” and was not covered for Social Security. Kevin retired from the Town of Greensboro on July 1, 2010 and began receiving his PERP retirement benefit.

On September 15, 2010, Kevin began working for Linville County in a position also covered by PERP. In Kevin’s new position, the PERP provisions and State law do not consider him to be a new member, because there had been a break of less than 90 days in his membership.

Years before Kevin’s employment, the Linville County PERP Coverage Group had obtained Section 218 coverage following a divided vote referendum. The Linville County PERP coverage group is a separate deemed retirement system group from the Greensboro PERP deemed retirement system group.

1. Is this a rehired annuitant situation? Why?
2. Would SSA consider Kevin in his current job for Linville County to be a new member of the PERP deemed retirement system group?
3. Does Kevin’s “No” vote carry over to the current job? Why?
4. Is Kevin covered for Social Security in his new position? If “No”, do not answer the following question.
5. If “Yes”, do the Section 218 provisions apply, or do Section 210 mandatory Social Security provisions apply?
**Scenario 3:** When Kevin worked for the Town of Greensboro he was a member of the Public Employees Retirement Plan (PERP). When the PERP members of the Town of Greensboro voted on Section 218 coverage as a deemed retirement system coverage group in a divided vote referendum, Kevin voted “No” and was not covered for Social Security. Kevin retired from the Town of Greensboro on July 1, 2010 and began receiving his PERP retirement benefit.

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Years before Kevin’s employment, the Linville County PERP Coverage Group had obtained Section 218 coverage following a divided vote referendum. The Linville County PERP coverage group is a separate deemed retirement system group from the Greensboro PERP deemed retirement system group.

1. **Is this a rehired annuitant situation?** Yes. Why? Current employer has positions under the same retirement system that Kevin is getting his pension from.

2. **Would SSA consider Kevin in his current job for Linville County to be a new member of the PERP deemed retirement system group?** Yes. Because the Section 218 coverage was extended to current employer as a separate deemed retirement system group prior to Kevin’s employment.

3. **Does Kevin’s “No” vote carry over to the current job?** No. His “No” vote does not carry over. Why? Because the current employer is in a different Section 218 deemed retirement system coverage group from Kevin’s former employer.

4. **Is Kevin covered for Social Security in his new position?** Yes. If “No”, do not answer the following question.

5. **If “Yes”, do the Section 218 voluntary provisions apply, or do Section 210 mandatory Social Security provisions apply?** The Section 218 voluntary provisions apply.
Scenario 4: Rita has retired from her position working with the State and is receiving an annuity from the State Employees Retirement Fund (SERF). However, once home every day, she gets bored mighty fast. Since she likes waking up before the crack of dawn, Rita gets a job as a part-time School Bus Driver for School District 12C. The school district has no positions under SERF.

- The School Bus Driver position is covered under PERS
- Rita is covered for PERS in her new position.
- However, IRS has determined PERS to be a non-qualifying retirement system (not a Social Security equivalent system).
- School District 12C does have a Section 218 coverage modification for its employees who are members of PERS, but in the modification, the part-time employee exclusion was taken.

1. Is this a rehired annuitant situation? Why?
2. Is Rita covered for Social Security in her new position? If “No”, do not answer the following question.
3. If “yes”, is Rita covered for Social Security under:
   (a) the Section 218 provisions or
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- However, IRS has determined PERS to be a non-qualifying retirement system (not a Social Security equivalent system).
- School District 12C does have a Section 218 coverage modification for its employees who are members of PERS, but in the modification, the part-time employee exclusion was taken.

1. Is this a rehired annuitant situation? No. Why? Current employer does not have positions under the same retirement system that Rita is getting her pension from.

2. Is Rita covered for Social Security in her new position? Yes. If “No”, do not answer the following question.

3. If “yes”, is Rita covered for Social Security under:
   (a) the Section 218 provisions or
   (b) the Section 210 mandatory Social Security provisions?

   Answer: She is covered for Section 210 mandatory Social Security.
**Scenario 5:** The news spread through the State Capitol like wildfire, “Linda, is retiring! Oh, my God, what are we going to do?” Others said, “Oh, that’s got to be a lie. Look at her face, she can’t be old enough to retire.” It was true; without the aid of Botox or facelifts, thank you very much, the Sands of Time had avoided carving a single line or wrinkle across Linda’s youthful looking visage. After toiling through countless administrations, Linda was retiring from her SERS covered position with the State after more than 42 years of service, a fact that she had demurely never allowed to cross her lips and, thus, was a shock to all when they heard it. After making her farewell tour, she settled into a quite life as a SERS annuitant.

But soon it became apparent that things in State government did not function as they once had. A decree went out from the Governor, “I don’t care what the hell you have to do, but get Linda back here! Now!” As Linda was sitting at her sunlit breakfast table, in her pink silk peignoir, taking the last sips of her morning decaf tea she sighed, “I think I’ll start writing my memoirs today.” Soon the birds’ lilting songs were overwhelmed by the scream of sirens. The tranquility of Linda’s morning was brushed away by the pounding on her front door, and in burst a contingent of State Troopers with urgency written all over their faces. “You’re coming with us, right now! The Governor wants you back!” said Captain Beaulieu. “Gentlemen, I am truly flattered that the Governor wants me, but as you can see, I am not suitably dressed to receive him, even in his private office. Will you at least afford me the opportunity to put on something more appropriate?” They sheepishly consented.

When she was ushered into his office, the Governor took Linda’s hand and got down on his knee and kissed her 40 carat star sapphire ring and said, “Please, Linda, please come back and be my Chief of Staff. You can oversee the running of the State government, and do it your way.” “Okay, I will, but on one condition. You let me dabble in State and Local 218 coverage from time to time.” “Absolutely,” said the Governor, “Whatever you say. Bless you. Bless you.” as he continued kissing her ring in gratitude. With that Linda returned to State government employment.

But just because the Governor let Linda come back to State employment, it didn’t mean that SERS would welcome her back with open arms. SERS’s policy was hard and fast in it’s prohibition of SERS annuitants rejoining SERS when they returned to State employment. Thus, Linda was not a member of a retirement system in her new job. The State had obtained Section 218 coverage for SERS ineligibles as an addition to the absolute coverage group of State employees.

1. Is this a rehired annuitant situation? Why?
2. Is Linda covered for Social Security in her new position? If “No”, do not answer the following questions.
3. If “Yes”, do the retirement system ineligible provisions come into play?
4. If the answer to Question 2 is “Yes,” is Linda covered for Social Security under:
   (a) the voluntary Section 218 provisions or
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1. Is this a rehired annuitant situation? Yes. Why? Retiree Linda is returning to the same employer.
2. Is Linda covered for Social Security in her new position? Yes If “No”, do not answer the following questions.
3. If “Yes”, do the retirement system ineligible provisions come into play? Yes, because she is ineligible to rejoin SERS upon her return to employment.
4. If the answer to Question 2 is “Yes,” is Linda covered for Social Security under:
   (a) the voluntary Section 218 provisions or
   (b) the Section 210 mandatory Social Security provisions?
   Linda is covered under (a) the voluntary Section 218 provisions.
And now, the final question, “Will Linda include this episode in her memoirs?”

I hope the next time you come to the fork in the road you know which way to go. Thank you.