



Office of the State Comptroller

PAYROLL BULLETIN

Subject Changes in Social Security/Medicare Rules for 1991	Bulletin No. P-703
	Date July 11, 1991

Effective for all services after July 1, 1991, all state employees will have full social security coverage except:

- (1) employees who are members of a retirement system who declined coverage in 1957 and remain continuous members of a retirement system.
- (2) students employed at the same public school, college or university where they are enrolled during periods when they are attending classes.
- (3) nonresident aliens holding F-1, J-1 and M-1 visas.

In June, we sent you a list of your employees who were not members of the retirement system and were not paying social security for verification of status.

Since the new law applies to all services rendered after July 1, it becomes effective in the middle of a payroll period. We will implement the change for the first full payroll period after July 1. Social security and medicare adjustments must be reported by the agency for all services between July 2 and the first day of the next payroll period.

ADMINISTRATION

Period 8 - Current Check Date: July 17	July 4-17, 1991	} Adjustments to be reported for services on July 2-3, 1991
Period 8 - Lag Date: July 31	July 4-17, 1991	

INSTITUTION

Period 8 - Current Check Date: July 25	July 11-24, 1991	} July 2-10, 1991
Period 8 - Lag Check Date: August 8	July 11-24, 1991	

July 11, 1991

In the appropriate payroll period, OSC will start social security coverage automatically for all employees who are required to have it. We will produce a listing identifying all employees for whom the coverage has begun. The listing will also be used to report any required social security and medicare adjustments.

In the earliest possible payroll period, submit the completed listing, "Special Transactions for Social Security/Medicare Adjustments" along with your AC-1040's for that period. Complete the payroll period and assign reference numbers. Do not duplicate the reference numbers used on the AC-1040's being submitted for the period. Start assigning the reference numbers with one higher than the last one in the AC-1040 batch. Compute the Social Security Adjustment (6.2%) and the Medicare Adjustment (1.45%) on the salary received for the dates indicated above. Enter the numerical '1' in the SS Adj Pers and Med Adj Pers.

Any questions regarding this bulletin should be directed to the Deduction Section at (518) 473-1989.