



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 21-863

Board Meeting Date: 11/9/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Lisa Mancini, Director, Aging and Adult Services

Subject: Agreement with the State to Extend Social Security Coverage to Eligible Employees of the Public Agency

RECOMMENDATION:

Adopt a resolution authorizing the San Mateo County In-Home Supportive Services Public Authority to file an application with the State, and to enter into an agreement with the State, to extend coverage to eligible employees of the Public Agency, as defined in 218(b)(5) of the Federal Social Security Act, coverage under the said insurance system on behalf of the Public Agency.

BACKGROUND:

Section of 12301.6 of the California Welfare and Institutions Code (WIC) authorizes County Boards of Supervisors to provide for the delivery of In-Home Supportive Services (IHSS) either by contracting with a nonprofit consortium, or by establishing a Public Authority (PA). On September 21, 1993, the Board of Supervisors adopted Ordinance No. 03508, which created a PA for the delivery of IHSS in San Mateo County. Pursuant to WIC section 12301.6, the PA is a public entity separate from the County. There are currently 14 full time PA employees in San Mateo County.

Social Security coverage is available to state and local government employees through a voluntary but irrevocable federal-state agreement authorized by Section 218 of the Federal Social Security Act. Employees covered under a Section 218 Agreement have the same coverage and benefit rights as employees mandatorily covered for Social Security and Medicare. On August 30, 1957, the County of San Mateo completed an application and agreement with the State of California pursuant to Section 218. The State signed the agreement on September 12, 1957. The County's Section 218 Agreement does not cover PA employees.

On June 29, 2021, your Board approved Resolution 078260, which authorized the PA to include its 14 positions in the State of California's Section 218 Social Security agreement, providing for the coverage of the PA's employees under the old age, survivors, disability, and health insurance system established by the Federal Social Security Act.

DISCUSSION:

PA employees have historically had Social Security taxes withheld from their paychecks and those who have retired have received Social Security benefits, but there is not an active agreement to provide Social Security coverage to these employees. Government employers who wish to offer Social Security benefits in addition to their retirement plan must have a Section 218 Agreement in place. The agreement covers positions, not individuals. If the position is covered for Social Security and Medicare under a Section 218 Agreement, then any employee filling that position is subject to withholding for Social Security and Medicare taxes and is entitled to corresponding benefits for such withholdings.

This resolution is the second of two required for the California Public Employees’ Retirement System (CalPERS), the official Social Security Administrator for the State of California’s Section 218 Agreement, to ensure that PA employees continue to participate in the Social Security program and that the withholdings and payment of benefits are in compliance with federal and state requirements.

Resolution 078260 expressed the intent of the Board of Supervisors, acting as the Governing Body of the PA, to enter into a Section 218 Agreement. This second resolution authorizes execution of the application and agreement for Social Security coverage for employees of the PA. Upon receipt of this second executed resolution, the State will request that the Federal Government include the San Mateo County IHSS PA positions in the Social Security program.

The resolution has been reviewed and approved by County Counsel as to form.

It is anticipated that 100% of PA positions will be covered by the State of California’s Section 218 Agreement.

PERFORMANCE MEASURE:

Measure	FY 2020-21 Actual	FY 2021-22 Estimated
Percentage of PA positions covered by the Section 218 Agreement	100% 14 PA positions	100% 14 PA positions

FISCAL IMPACT:

The Section 218 Agreement formalizes and ensures the current Social Security withholdings from the paychecks of San Mateo County IHSS PA employees and the Social Security benefits that those employees receive after retirement. The fee to complete the Section 218 process is \$650. The cost is included in the FY 2020-21 Adopted Budget and will be funded by a combination of federal, State, and County funds.