§ 404.1208 Ineligible employees.
   (a) Definition. An ineligible is an employee who, on first occupying a position under a retirement system, is not eligible for membership in that system because of a personal disqualification like age, physical condition, or length of service.
   (b) Coverage of ineligible employees. A State may, in its agreement or any modification to the agreement, provide coverage for the services of ineligible employees in one of three ways:
      (1) As part of or as an addition to an absolute coverage group;
      (2) As part of a retirement system coverage group covering all positions under the retirement system; or
      (3) As part of or as an addition to a retirement system coverage group composed of those members in positions in a retirement system who chose coverage.

§ 404.1209 Mandatorily excluded services.
   Some services are mandatorily excluded from coverage under a State’s agreement. They are:
   (a) Services of employees who are hired to relieve them from unemployment;
   (b) Services performed in an institution by a patient or inmate of the institution;
   (c) Transportation service subject to the Federal Insurance Contributions Act;
   (d) Certain emergency services in case of fire, storm, snow, volcano, earthquake, flood or other similar emergency; and
   (e) Services other than agricultural labor or student services which would be excluded from coverage if performed for a private employer.
   (f) Services covered under section 218(a)(7)(F) of the Act. (See § 404.1200(b).)

§ 404.1210 Optionally excluded services.
   Certain services and positions may, if the State requests it, be excluded from coverage. These exclusions may be applied on a statewide basis or selectively by coverage groups. They are:
   (a) Services in any class or classes of elective positions;
   (b) Services in any class or classes of part-time positions;
   (c) Services in any class or classes of positions where the pay is on a fee basis;
   (d) Any agricultural labor or student services which would also be excluded if performed for a private employer; and
   (e) For modifications executed after 1994, services performed by election officials or election workers if the payments for those services in a calendar year are less than $1000 for calendar years after 1994 and before 2000, or, for calendar years after 1999, are less than the $1000 base amount as adjusted pursuant to section 218(c)(8)(B) of the Act to reflect changes in wages in the economy. We will publish this adjustment of the $1000 base amount in the Federal Register on or before November 1 preceding the year for which the adjustment is made.

§ 404.1211 Interstate instrumentalities.
   For Social Security coverage purposes under section 218 of the Act, interstate instrumentalities are treated, to the extent practicable, as States, that is:
   (a) They must be legally authorized to enter into an agreement with the Commissioner;
   (b) They are subject to the same rules that are applied to the States;
   (c) They may divide retirement systems and cover only the positions of members who want coverage; and
   (d) They may provide coverage for firefighters and police officers in positions under a retirement system.

§ 404.1212 Police officers and firefighters.
   (a) General. For Social Security coverage purposes under section 218 of the Act, a police officer’s or firefighter’s position is any position so classified under State statutes or court decisions. Generally, these positions are in
the organized police and fire departments of incorporated cities, towns, and villages. In most States, a police officer is a member of the "police" which is an organized civil force for maintaining order, preventing and detecting crimes, and enforcing laws. The terms "police officer" and "firefighter" do not include services in positions which, although connected with police and firefighting functions, are not police officer or firefighter positions.

(b) Providing coverage. A State may provide coverage of:

(1) Police officers' and firefighters' positions not under a retirement system as part of an absolute coverage group; or

(2) Police officers' or firefighters' positions, or both, as part of a retirement system coverage group.

(c) Police officers and firefighters in positions under a retirement system. All States and interstate instrumentalities may provide coverage for employees in police officers' or firefighters' positions, or both, which are under a retirement system by following the majority vote referendum procedures in §404.1206(d). In addition, all interstate instrumentalities and the States listed in §404.1207 may use the desire for coverage procedures described in §404.1207.

The agreement must be signed by the authorized State or interstate instrumentality official and the Commissioner or his or her designee.

[61 FR 38368, July 24, 1996]

HOW COVERAGE UNDER AGREEMENTS IS OBTAINED AND CONTINUES

§404.1214 Agreement for coverage.

(a) General. A State may enter into a written agreement with the Commissioner to provide for Social Security coverage for its employees or the employees of one or more of its political subdivisions. An interstate instrumentality may enter into a similar agreement for its employees. These agreements cover employees in groups of positions or by types of services rather than the individual employees.

(b) Procedures. A State or interstate instrumentality may request coverage by submitting to SSA a proposed written agreement for the desired coverage.

(c) Authority to enter into an agreement for coverage—(1) Federal law. Section 218(a) of the Act requires the Commissioner to enter into an agreement, at the request of the State, to extend Social Security coverage to the State's employees or those of its political subdivisions. Section 218(g) authorizes the Commissioner to enter into an agreement, at the request of an interstate instrumentality, to extend Social Security coverage to the employees of the interstate instrumentality.

(2) State law. State law must authorize a State or an interstate instrumentality to enter into an agreement with the Commissioner for Social Security coverage.

(d) Provisions of the agreement. The agreement must include:

(1) A description of the specific services to be covered and excluded;

(2) The State's promise to pay, to the Secretary of the Treasury, contributions equal to the sum of the taxes which would be required under the Federal Insurance Contributions Act from employers and employees if the employment were in the private sector;

(3) The State's promise to comply with the regulations the Commissioner prescribes for carrying out the provisions of section 218 of the Act; and

(4) Identification of the political subdivisions, coverage groups, or services being covered and the services that are excluded.

The agreement must be signed by the authorized State or interstate instrumentality official and the Commissioner or his or her designee.

(e) Effective date. The agreement must specify an effective date of coverage. However, the effective date cannot be earlier than the last day of the sixth calendar year preceding the year in which the agreement is mailed or delivered by other means to the Commissioner. The agreement is effective after the effective date.

(f) Applicability of agreement. The agreement establishes the continuing relationship between the Commissioner and the State or interstate instrumentality except as it is modified (see §§404.1215–404.1217).