

■ SOCIAL SECURITY ACT; FEDERAL INSURANCE CONTRIBUTIONS ACT

TERMS: The Social Security Act authorizes monthly cash payments to insured workers for long-term disability and retirement, as well as cash benefits for their survivors. Social Security benefits are financed through a tax on wages, authorized by the Federal Insurance Contributions Act and paid by employers, employees and the self-employed.

Employer Contributions — Agricultural employers who pay at least \$2,500 in wages for agricultural labor during the year are required to pay FICA (Social Security) taxes on behalf of their agricultural employees. On the other hand, an employer whose yearly wage payments amount to less than \$2,500, but who pays at least \$150 in cash wages to a particular farmworker during the year, must pay FICA taxes on that worker's wages.

Worker Contributions — The employer's share of the tax is currently 7.65 percent of each worker's wages, and the worker is required to contribute an equal amount, which the employer must deduct from the worker's earnings each time wages are paid. As FICA taxes are withheld throughout the year, the employer must regularly forward both the employer's and the worker's share to the U.S. treasury, and by January 31 of the following year the employer must report the total amount of wages paid and FICA taxes withheld to the Social Security Administration for proper credit to the worker's earnings record. Compensation paid to the worker in any form other than cash (such as housing or transportation, for example) is not considered wages for Social Security purposes.

Benefits — A worker's eligibility for Social Security benefits, as well as the amount of those benefits, depends on the number of quarters of coverage the worker has accumulated as an employee. In 2017, a worker must have at least \$1,300 in FICA-covered earnings during a 3-month calendar period to receive credit for one quarter of coverage. Farmworkers who have sufficient quarters of coverage and meet other eligibility requirements may qualify for full or reduced Social Security benefits, as determined through regular application processing procedures.

In general, disability benefits are payable only in the case of a disability that is expected to last at least 12 months or can be expected to result in death, and only when the worker meets the required period of covered employment. Retirement benefits are generally payable beginning at age 62, provided the worker has at least 40 quarters of coverage, or one quarter of coverage for each calendar year after age 21 and before age 62.

ENFORCEMENT: *Internal Revenue Service, U.S. Department of the Treasury, Washington, D.C. 20224 (202-283-1710).* IRS is responsible for collection of FICA taxes from employers. Any worker who believes that taxes are being incorrectly deducted from wages, or improperly reported to the government, should contact the nearest office of IRS.

The agency responsible for the administration of benefits is the *Social Security Administration, U.S. Department of Health and Human Services, Baltimore, Maryland 21235 (410-965-0100).* Any question about benefits and credits to the worker's earnings record may be directed to the nearest Social Security office. Offices can be located by phone, at 800-772-1213 (toll-free), or online at secure.ssa.gov/ICON/main.jsp.