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## Division of Social Security

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## IRS Gives Relief to Small Employers

The Internal Revenue Service has issued regulations changing the de minimis rule for the deposit of federal employment taxes. Beginning on or after July 1, 1998, if the total amount of accumulated employment taxes for the quarter is less than \$1000 and the amount is fully deposited or remitted with a timely filed return for the quarter, the deposit or remittance will be deemed timely deposited. This new regulation goes into effect for annually return periods beginning on or after January 1, 1999. Currently, the employment tax deposit threshold is \$500.

The new regulation also replaces the term "quarter" with the term "return period" since some employment taxes are reported on an annual basis, instead of quarterly. Consequently, an employer that has accumulated employment taxes of less than \$1,000 for a quarterly or annual return period will not have to make deposits; instead, it can remit the full amount of its liability with a timely filed return for the return period.

In addition, the IRS recently granted a six-month penalty waiver until January 1, 1999, to employers required to deposit taxes electronically through the Electronic Federal Tax Payment System (EFTPS) beginning either July 1, 1997 or January 1, 1998.

## Social Security Coverage Determination for Retired Teachers

The Division of Social Security has received a number of inquiries concerning social security coverage status of retired teachers who return to work in certified positions and who are no longer required to contribute to KTRS.

One must first determine if the retired teacher is performing service in a certified position. If it is not a certified position (such as a classified position), both Social Security and Medicare must be withheld.

A retired KTRS beneficiary ("rehired annuitant") in a certified position is exempt from the social security portion of the FICA tax. If the retired teacher was rehired after April 1, 1986, then only Medicare must be withheld.

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**PLEASE NOTE**--This publication is for general information only. The material provided within should not be used or cited as authority for employment tax obligations and requirements. The Social Security Act, the KRS and the IRC, along with regulations and revenue rulings and case law, are the only valid citations of authority.

# SOCIAL SECURITY: YOUR NUMBER

Many of us got our Social Security number about the time we got our first job. It was a symbol of our right to work and our responsibility to pay taxes. Today, most parents apply for a number for their newborns even before they leave the hospital!

Just as having a Social Security number is no longer a symbol of adulthood, the number's use is no longer confined to working and paying taxes. In ever increasing numbers, government agencies, schools, and businesses rely on Social Security numbers to identify people in their computer systems. Everyone seems to want your Social Security number.

The Social Security Administration (SSA) is aware of concerns about the increasing uses of the Social Security number for client identification and record keeping purposes. You should not use your Social Security card as an identification card. However, several other government agencies are permitted by law to use Social Security numbers, but there is no law either authorizing or prohibiting their use. Banks and other financial institutions use the numbers to report interest earned on accounts to the Internal Revenue Service (IRS). Other government agencies use Social Security numbers in computer matching operations to stop fraud and abuse.

## PRIVACY OF RECORDS

Although we can't prevent others from asking for your number, you should know that giving it to them does NOT give them access to your Social Security records. The privacy of your records is guaranteed unless 1) disclosure to another government agency is required by law or 2) the information is needed to conduct Social Security or other government health or welfare programs.

If a business or other enterprise asks you for your Social Security number, you can refuse to give it to them. However, that may mean doing without the purchase or service for which your number was requested. The primary message is this: be careful with your Social Security number and your card and protect their privacy whenever possible.

## TYPES OF SOCIAL SECURITY CARDS

SSA issues three types of Social Security cards. The first type of card is the card most people have, and has been issued since 1935. It shows the person's name and Social Security number, and it lets the person work without restriction. SSA issues it to U.S. citizens and permanent resident aliens.

The second type of card bears the legend "NOT VALID FOR EMPLOYMENT." SSA issues it to people from other countries who are lawfully admitted to the United States without INS work authorization, but who need a number because of a federal, state or local law requiring a Social Security number to get a benefit or service.

SSA began issuing the third type of card in 1992. It bears the legend "VALID FOR WORK ONLY WITH INS AUTHORIZATION." It is issued to people who are admitted to the United States on a temporary basis with Immigration and Naturalization Service (INS) authorization to work.

## PROTECTING YOUR SOCIAL SECURITY NUMBER AND RECORDS

\* When you work, your Social Security number is used to record your earnings. Here are some things you can do to protect your Social Security record and to make sure it is accurate.

\* Show your Social Security card to your employer when you start a job.

\* Check the name and Social Security number on your pay stub and W-2 form to make sure your name and number are the same as on your Social Security card.

\* Keep your card in a safe place but don't rely on your memory when furnishing your number. If you give your employer the wrong Social Security number, your earnings may get credited to some other worker.

## APPLYING FOR A NEW OR REPLACEMENT CARD

If you need to a Social Security number or want to replace your lost or stolen card, or get a card showing your new name, call or visit Social Security. These services are free. You will need to complete an application and furnish one or more documents as identification.

To get a Social Security number, you will need to provide documents that show your identity, age and citizenship or lawful alien status.

To replace your lost or stolen card, you usually need one identifying document. To change the name on your card, you need to show one or more documents that identify you by your old name and your new name. If you were born outside the United States, generally you also must show proof of U.S. citizenship or lawful alien status. Your replacement card will have the same number as your old card.

*You can get more information by calling Social Security's toll-free number, 1-800-772-1213 or one of the local Social Security offices in Kentucky. (A list of Kentucky offices can be found on the SSA web site at <http://www.ssa.gov/atlanta/ky/index.html>)*