



FICA/Medicare - Quick Reference

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Grandfather clause regarding Medicare: Employees hired by a District before April 1, 1986, are exempt from mandatory Medicare if they have been in continuous employment with the same employer since March 31, 1986, and are members of a public retirement system.

Medicare is mandatory for all employees hired or rehired after March 31, 1986.

| Full FICA or Medicare Only? | FICA 6.2% | Medicare 1.45% | TxEIS FICA Eligibility field setting |
|--|----------------------|---------------------------|---|
| Retired employee drawing teacher retirement and substituting or working in the LEA | No | Yes | M Subject to medicare |
| Regular substitute employee (no retirement plan) | Yes | Yes | Y Subject to FICA tax |
| Regular substitute employee (457 retirement plan) | No | Yes | M Subject to medicare |
| Substitute employee drawing social security | Yes | Yes | Y Subject to FICA tax |
| Substitute employee drawing retirement other than Teacher Retirement | Yes | Yes | Y Subject to FICA tax |
| Student Worker enrolled in the LEA | No | No | N Not subject to FICA |
| Student Worker enrolled in another LEA | Yes | Yes | Y Subject to FICA tax |