



FICA/Medicare - Quick Reference

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Grandfather clause regarding Medicare: Employees hired by an LEA 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% | ASCENDER 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 |