



## Social Security Coverage – Parity

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### Summary:

- Unlike state and local government elected leaders, council leadership at tribal governments does not have the ability to opt-in to social security coverage for services performed, although they pay income tax.
- Support H.R. 6124 and S.1309 (Tribal Social Security Fairness Act) which allows tribal council members and the chairman to contribute to and receive social security benefits.

### Background Information:

Generally, the amount of benefits received from Social Security depends on how much an employee earned over their career and paid into Federal Insurance Contributions Act (FICA) through taxes. FICA is a federal payroll tax imposed on employees and employers to fund Social Security and Medicare – federal programs that provide benefits to retirees, disabled people, and children of deceased workers.

FICA initially did not apply to state and local governments but “legislative officials” were later given the option of participating. Consistent with the view of the Internal Revenue Service, tribal government leadership pay taxes on income received for services to the government. However, the current state of the law does not allow tribal council members the option to pay into FICA and receive benefits from the Social Security program.

### Recommendation:

Support companion bills H.R. 6124 and S.1309, the Tribal Social Security Fairness Act, which provide parity between tribal governments and state and local governments. The Act allows tribes to “opt-in” to Social Security coverage for their otherwise excluded tribal council members.