July 1, 2016, Lansing Community College implemented changes to payroll deduction processing in order to bring the college into compliance with IRS and Michigan Public School Employee’s Retirement System (MPSERS) regulations. Based on recent legislature changes in July of 2018, the MPSERS regulations require community colleges to report student workers two different ways based on first date worked and/or hired. To better serve you, we have compiled a list of frequently asked questions to help clarify student employment and taxation/retirement inquiries.

If you have further questions, please contact the Payroll Department at FS-Payroll@star.lcc.edu or 483-1799. However, please keep in mind that the Payroll Department is not able to discuss specific employee situations with supervisors. The student employee is responsible for contacting the department regarding his or her specific situation.

1. **How many credits do students need to take to qualify as a student employee?**  
   Students must be both enrolled and attending the minimum number of required credits for the entire time they are working. The required minimums are:
   - Fall and Spring Semesters – 6 credits*
   - Summer Semester – 3 credits*

   * Note: International Students have different required minimums of 12 credits during fall or spring semesters unless granted a waiver by the Designated School Official and 3 credits during summer semester.

2. **When did these credit requirements for employment become effective?**  
   These credit requirements are mandated by the IRS and MPSERS and they are not new. Prior to July 1, 2016, LCC had not been in compliance with IRS and MPSERS regulations in relation to student workers who had less than full-time status.

3. **Do students have to participate in MPSERS?**  
   If a student employee was reported to MPSERS prior to July 2, 2018 and he/she is enrolled in fewer than 12 credits during the fall or spring semesters, or fewer than 6 credits in the summer semester, they are subject to MPSERS. This means they will have to select a retirement plan.

   Student employees whose first day worked is on or after July 2, 2018 will not have to participate in the Michigan Public Schools Retirement System (MPSERS).

4. **Do students have to have federal FICA taxes withheld?**  
   No. If a student employee is enrolled in and attending enough credits to be eligible for employment at LCC, they are eligible to be exempted from federal FICA taxes.

5. **How are student worker FICA and MPSERS deductions affected if a student worker is employed between Fall/Spring, Spring/Summer, or Summer/Fall semesters?**  
   IRS regulations allow a student worker to continue to work for up to 5 weeks and maintain their exempt status after the student has completed their semester as long as the student is enrolled in at least 6 credits for the upcoming spring or fall term or at least 3 credits in the upcoming summer term.

   MPSERS regulations do not allow for any “grace” period for a student employee whose first day worked was prior to 07/02/2018. Any student worker who works outside of the assigned semester is subject to MPSERS and required to make a MPSERS plan and withholding election. (See #6 and #7 for how to select a plan and have $0 withheld). Student employees whose first day worked is on or after 07/02/2018 will not participate in a MPSERS pension plan.
Various Examples of student enrollment situations for a student employee whose first day worked and/or hire date is before 07/02/2018. These examples will show how the enrollment status impacts the LCC student worker status, FICA tax exempt status, and MPSERS participation:

**August 25**
- Student is enrolled and attending 4 credits
- Student is not eligible to be an LCC Student Worker

**September 22**
- Student begins 12 week classes and now is enrolled and attending 12 credits

**December 19**
- Student is now enrolled and attending full time and can be an LCC student worker, claim FICA exemption, and is not subject to MPSERS

**August 25**
- Student is enrolled and attending 6 credits
- Student is eligible to be an LCC Student Worker, claim FICA exemption, but is subject to MPSERS

**October 21**
- Student completes a first 8-week class and is now enrolled and attending 3 credits the remainder of the semester
- Student is no longer enrolled and attending at least 6 credits and cannot be an LCC student worker

**December 19**
- Student is enrolled and attending 4 credits in first 8-week classes
- Student is enrolled and attending 4 credits in second 8-week classes

**Student is not eligible to be an LCC student worker. While their total credit load for the semester is 8 credits, the student is not enrolled and attending in at least 6 credits at any time during the semester**
Student is enrolled and attending 6 credits in first 8-week classes

Student is enrolled and attending 6 credits in second 8-week classes

Student is eligible to be an LCC student worker. As they are enrolled and attending in at least 6 credits at any time during the semester. The student may also claim FICA exemption, and is not subject to MPSERS as they are enrolled in a total of 12 credits for the semester.

Student is enrolled and attending in at least 6 credits but in less than 12 credits throughout the semester.

Student is eligible to be an LCC Student Worker, claim FICA exemption, but is subject to MPSERS.

Student is enrolled and attending 12 or more credits throughout the semester

Student is eligible to be an LCC Student Worker, claim FICA exemption, and is not subject to MPSERS.