

Lansing Community College
Student Employment – Supervisor Guide

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*

Enrollment examples are provided at the end of these FAQs.

* 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.

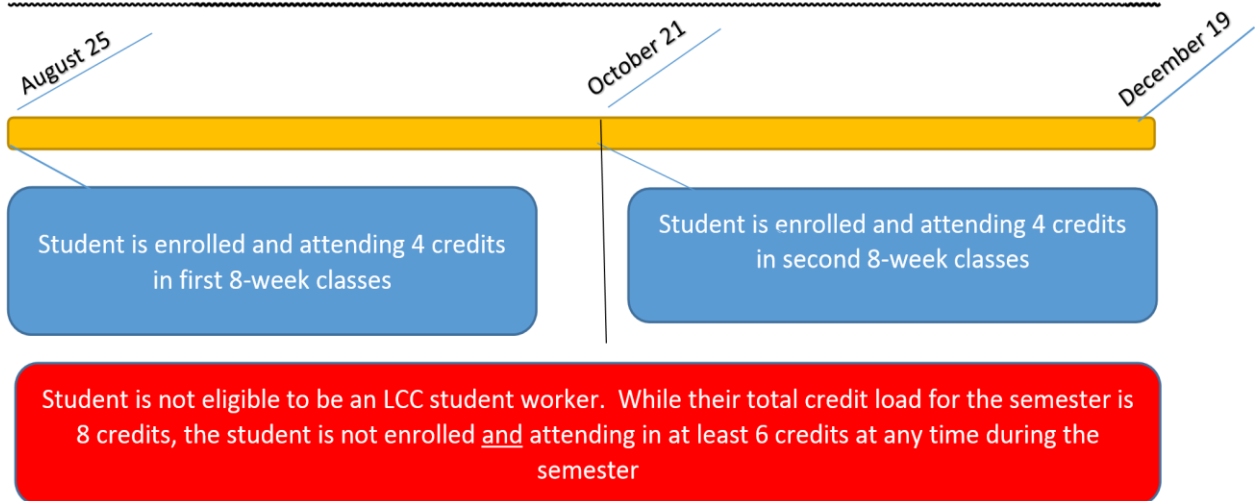
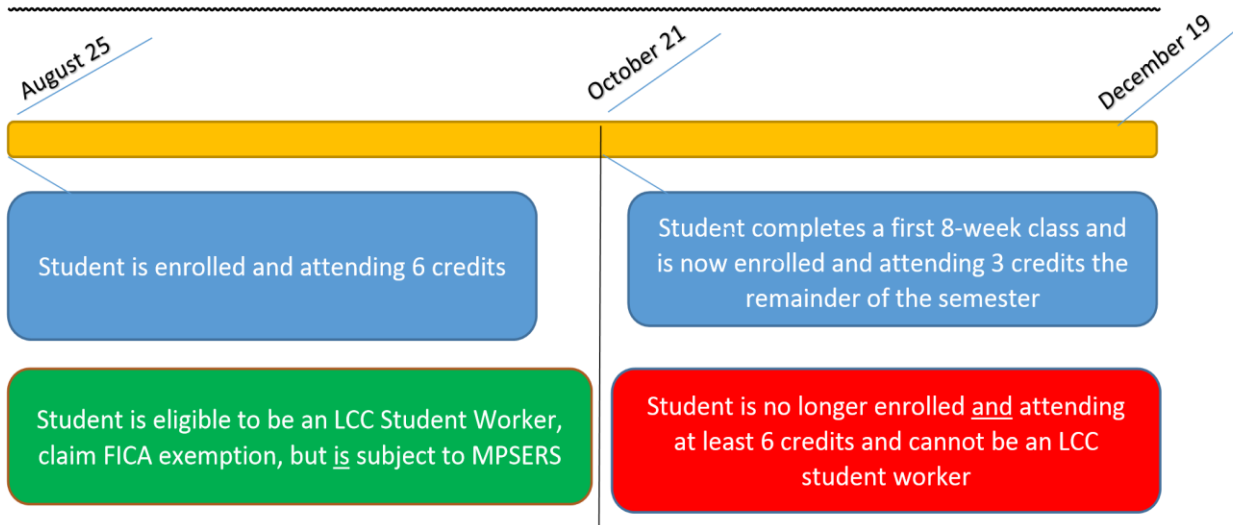
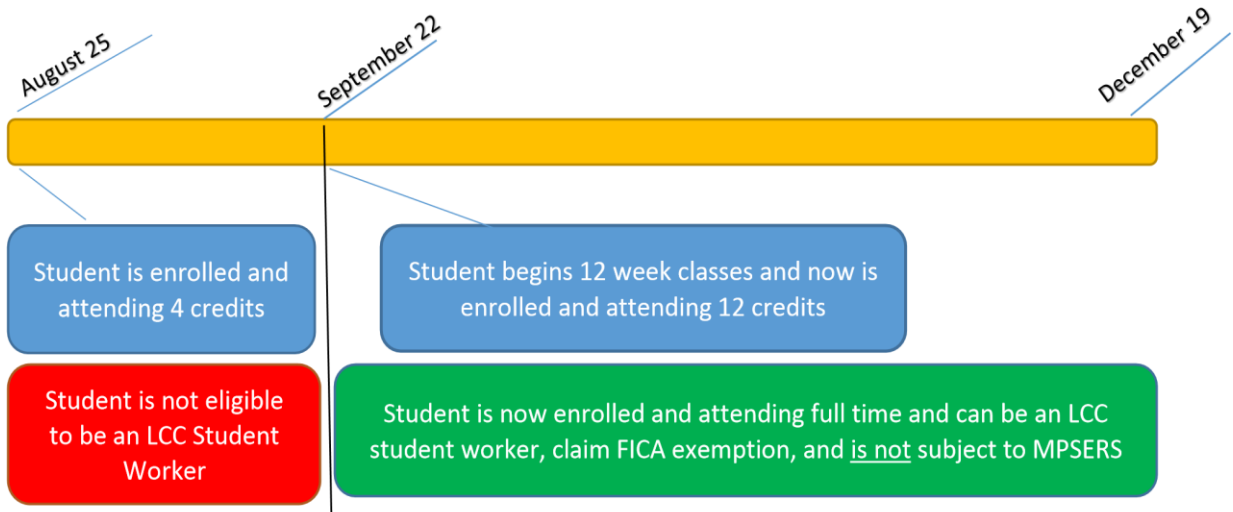
5. How are student worker FICA and MPSERS deductions affected if a student worker is employed between Fall/Spring, Spring/Summer, or Summer/Fall semesters?

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.

Lansing Community College Student Employment – Supervisor Guide

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:



Lansing Community College
Student Employment – Supervisor Guide

