

Lansing Community College
Student Employment – Student 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.

1. How many credits do I need to take to be a student employee at LCC?

You must be both enrolled and attending the minimum number of required credits for the entire time you 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. Do I have to participate in MPSERS?

If you were reported to MPSERS prior to July 2, 2018 and you are enrolled in fewer than 12 credits during the fall or spring semesters, or fewer than 6 credits in the summer semester, you are subject to MPSERS. This means you will have to select a retirement plan. See questions 6 and 7 for more information. This requirement applies to all students, including work-study student employees.

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).

3. Do I have to have federal FICA taxes withheld?

No. If you are enrolled in and attending enough credits to be eligible for employment at LCC, you are eligible to be exempted from federal FICA taxes.

4. When did the MPSERS and IRS requirements become effective?

Prior to July 1, 2016, LCC had not been in compliance with MPSERS or IRS regulations in relation to student workers who had a less than full-time status.

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5. How are student worker FICA and MPERS deductions affected if I am employed between Fall/Spring, Spring/Summer, or Summer/Fall semesters?

IRS regulations allow you to continue to work for up to 5 weeks and maintain your exempt status after you have completed your semester as long as you are enrolled in at least 6 credits for the upcoming spring or fall term or at least 3 credits in the upcoming summer term.

MPERS 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 MPERS and required to make a MPERS 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 MPERS pension plan.

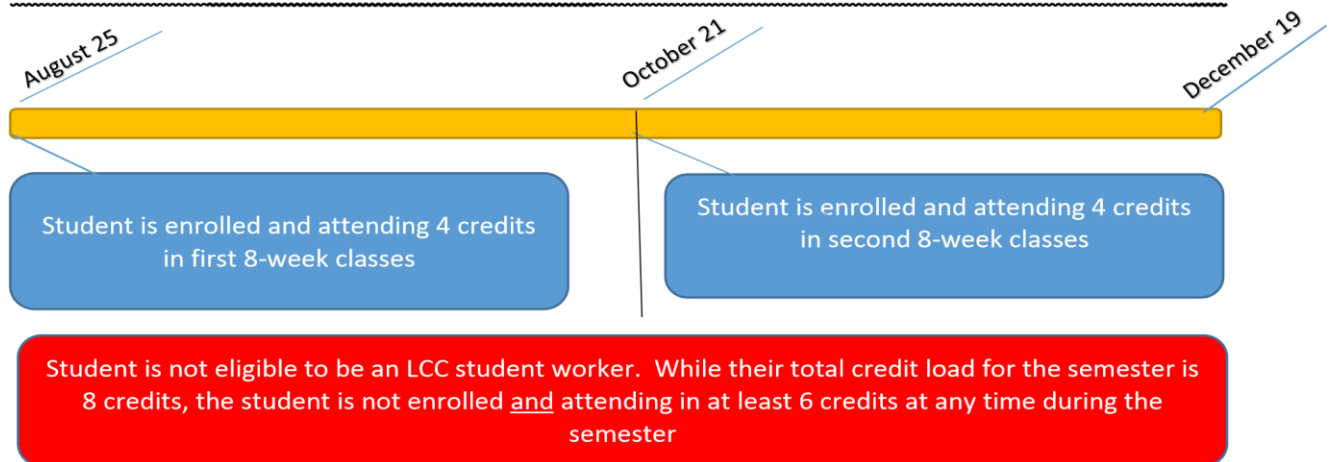
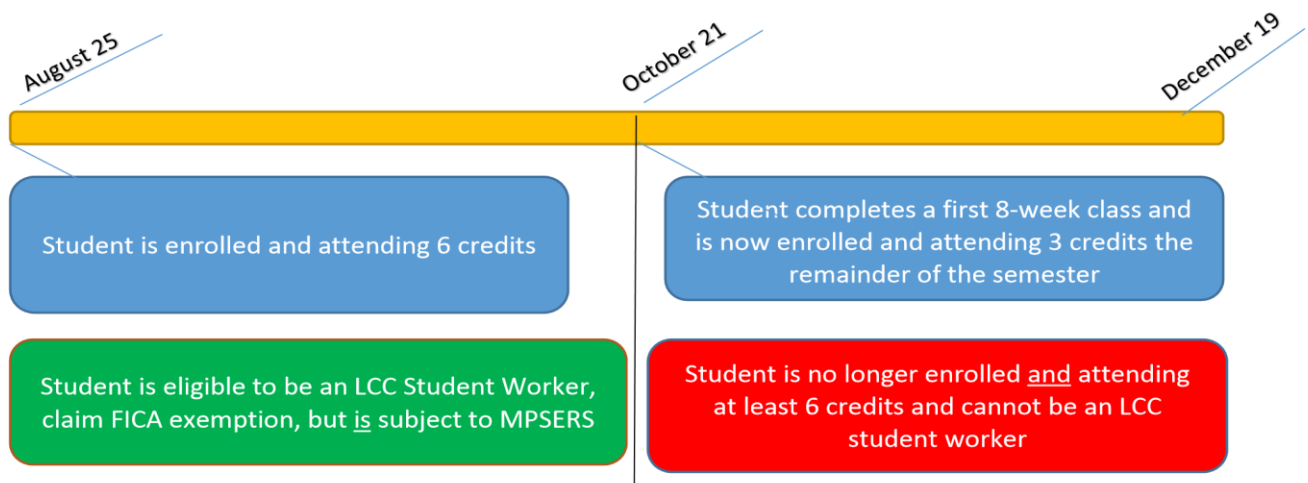
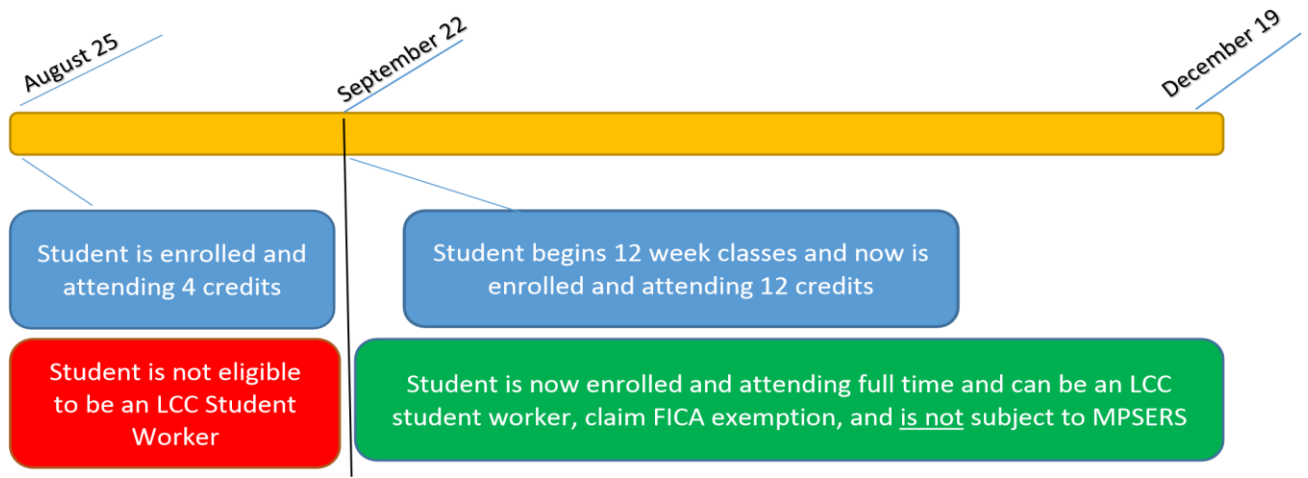
6. As a student employee, I cannot afford to or do not want to put money into my retirement right now. Which MPERS plan will allow me to stop all contributions?

The Defined Contribution Plan (DC). The DC plan allows employees to increase or decrease their contribution at any time. A student employee can decrease their contribution all the way to zero.

7. How do I decrease and/or increase my Defined Contribution plan contribution percentage? After your election has been submitted to MPERS, you may contact VOYA at 800-748-6128 to change your contribution percentage. You can contribute any percentage you want, from zero to 100.

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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:



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