

**SOCIAL SECURITY FOR PUBLIC EMPLOYEES (EXCERPT)**  
**Act 205 of 1951**

**38.852 Extension of social security to public employees; definitions.**

Sec. 2.

For the purposes of this act—

(a) The term "wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of the federal insurance contributions act, would not constitute "wages" within the meaning of that act;

(b) The term "employment" means any service performed by an employee in the employ of the state, or any political subdivision thereof, including service performed by a circuit court stenographer in any county which pays any part of his wages, for such employer, except (1) service which in the absence of agreement entered into under this act would constitute "employment" as defined in the social security act; (2) service which under the social security act may not be included in an agreement between the state and the secretary of health, education, and welfare entered into under this act: Provided, That no existing retirement system may hereafter be abolished in whole for the purpose of bringing the employees of such political subdivision under the provisions of this act: Provided, All services of an emergency nature shall be excluded, and that service (1) in any class or classes of part time positions, (2) in any class or classes of positions filled by popular election, (3) of a student, (4) performed in agricultural labor, or (5) any positions the compensation for which is on a fee basis, may be excluded in a plan submitted under section 8 of this act: Provided further, That service which under the social security act may be included in an agreement only upon certification by the governor or an official delegated by him in accordance with section 218 (d) (3) of title II of the social security act shall be included in the term "employment" if and when the governor or an official delegated by him issues, with respect to such service, a certificate to the secretary of health, education, and welfare pursuant to section 21 (b) of this act;

(c) The term "employee" includes an officer, including elected officials, of a state or political subdivision thereof; and shall include as service performed for a county, service performed by a circuit court stenographer in each county which pays any part of his wages. It shall also include persons defined as "public school employees" under section 1 of chapter 1 of Act No. 136 of the Public Acts of 1945, as amended, and persons defined as "member" under section 11 of chapter II of said act;

(d) The term "department" means the retirement board of the retirement system created and established by Act No. 240 of the Public Acts of 1943, as amended, being sections 38.1 to 38.43 of the Compiled Laws of 1948; Provided, however, That the department is authorized, pursuant to an agreement with the head of any state agency, to delegate any of its functions under this act which involved the correcting of reports or the auditing of the records of political subdivisions, to any officer or employee of such state agency, and the terms of payment therefor shall be provided in such agreement;

(e) The term "secretary of health, education, and welfare" includes any individual to whom the secretary of health, education, and welfare has delegated any of his functions under the social security act with respect to coverage under such act of employees of states and their political subdivisions, and with respect to any action taken prior to April 11, 1953, includes the federal security administrator and any individual to whom such administrator had delegated any such functions.

(f) The term "political subdivision" includes the regents of the university of Michigan, the state board of agriculture, and an instrumentality (1) of the state, (2) of 1 or more of its political subdivisions, or (3) of the state and 1 or more of its political subdivisions, but only if such instrumentality is a juristic entity which is legally separate and distinct from the state or subdivision and only if its employees are not by virtue of their relation to such juristic entity employees of the state or subdivision: Provided, however, That any organization which has been held to be exempt from taxes imposed by sections 1400 and 1410 of the federal insurance contributions act, by reason of being an instrumentality of 1 or more political subdivisions of the state which is wholly owned by 1 or more subdivisions of the state within the exception provided by sections 1426 (b) (8) and 1607 (c) (7) of the federal insurance contributions act, shall be deemed for the purposes of this act to be a juristic entity and shall be accepted for coverage under this act upon depositing with the department a sum in cash or government bonds equal to 4 times the estimated average quarterly contributions for which such instrumentality shall be liable under the agreement entered into with the department, which deposit shall be continuously maintained as recomputed from time to time in accordance with current estimates of such average quarterly contributions;

(g) The term "social security act" means the act of congress approved August 14, 1935, chapter 531, 49 Stat. 620, officially cited as the "social security act," (including regulations and requirements issued pursuant thereto), as such act was last amended prior to the effective date of this act; and

(h) The term "federal insurance contributions act" means sub-chapter A of chapter 9 of the federal internal

revenue code of 1939 and sub-chapters A and B of chapter 21 of the federal internal revenue code of 1954, as such codes have been and may from time to time be amended; and the term "employee tax" means the tax imposed by section 1400 of such code of 1939 and section 3101 of such code of 1954.

(i) The term "plan" shall be confined to the old-age and survivors insurance program of the social security act.

**History:** 1951, Act 205, Imd. Eff. June 14, 1951 ;-- Am. 1953, Act 137, Eff. Oct. 2, 1953 ;-- Am. 1955, Act 39, Imd. Eff. Apr. 21, 1955 ;-- Am. 1961, Act 83, Eff. Sept. 8, 1961

**Compiler's Notes:** Act 136 of 1945, referred to in this section, was repealed by Act 300 of 1980.