

# Election Worker Pay Info

*This document includes information from the IRS.org website and an MTA article. It is provided as general information only. Each township will have different circumstances, so it is important to consider the factors discussed in the IRS materials below. The current federal and state rules will control.*

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**Election workers are always treated for payroll purposes as township employees. They are never paid with a Form 1099. They are always paid through payroll.**

## **Election Workers: Reporting and Withholding (IRS.gov)**

### **Who Are Election Workers?**

Election workers are individuals hired by government entities to perform services at polling places in connection with national, state and local elections. An election worker may be referred to by other terms and titles, for example, poll worker, moderator, machine tender, checker, ballot clerk, voting official, polling place manager, absentee ballot counter or deputy head moderator. These workers may be employed by the government entity exclusively for election work, or may work in other capacities as well. Compensation paid to election workers is includible as wage income for income tax purposes, and may be treated as wages for Social Security and Medicare (FICA) tax purposes.

Election workers may be compensated by a set fee per day or a stipend for the election period. The election period may include attending training or meetings prior to and after the election. Election workers may also be reimbursed for their mileage or other expenses. To be excludable from wages, expense reimbursements must be made under an accountable plan (see [Publication 5137, Fringe Benefit Guide, Office of Federal, State and Local Governments](#), for more information on accountable plans.)

### **Income Tax Withholding**

Compensation paid for services and reimbursements paid under a non-accountable plan are taxable to election workers; however, they aren't subject to income tax withholding under Internal Revenue Code (IRC) Section 3401(a). **[MTA added emphasis]**

However, Section 3402(p) allows employers and employees to enter into voluntary agreements to withhold income tax from wages for services performed. Election workers may request this voluntary income tax withholding by completing and giving the employer a Form W-4, Employee's Withholding Certificate.

### **Social Security and Medicare (FICA) Withholding**

Election workers are common-law employees; however, IRC section 3121(b)(7)(E) and (F)(iv) provide specific rules for determining whether amounts paid to election workers are subject to FICA taxes.

**[MTA: The State of Michigan excluded election workers from any existing or future 218 Agreements in the Modification No. 975 to the Michigan State Social Security Agreement (see Page 5), the following applies to all Michigan election workers, whether the township has a 218 Agreement or not.]**

The rules for mandatory Social Security and Medicare apply. Services not subject to mandatory Social Security and Medicare coverage include those performed by an election worker whose pay in a calendar year is less than the Federal threshold amount (\$2,000 from January 1, 2021 to present, adjusted for inflation) per Sections 3121(b)(7)(F)(iv) and 3121(u)(2)(B)(ii)(V).

FICA taxes apply from the first dollar paid if an election worker is paid the federal threshold amount or more. For example, when payments made to an election worker in 2021 met the Federal threshold amount, \$2,000, all amounts paid to the worker were subject to FICA, including the first \$1,999.

If it's anticipated that an election worker may earn the Federal threshold amount or more in a calendar year, a State or local government employer may choose to begin withholding FICA taxes on the first dollar earned. If the worker then earns less than the Federal threshold amount in the calendar year, the worker would be entitled to a refund of the withheld FICA taxes. If the employer chooses not to begin withholding until after the worker earns the Federal threshold amount, then the employer would be responsible for withholding and reporting for the total amount of FICA taxes due, from the first dollar earned.

## Reporting Requirements (W-2)

**Section 6041(a)** applies to payments of compensation that are **not subject** to withholding of FICA or income tax. If an election worker's compensation is not subject to withholding of FICA tax, the Section 6041(a) reporting requirements [to issue a W-2] apply to payments that aggregate \$600 or more in any taxable year. Under Regulation section 1.6041-2(a)(1), compensation subject to income tax withholding is taken into account in determining whether the \$600 reporting requirement applies. Government entities must file a Form W-2 for election workers who receive payments of \$600 or more, even if no FICA and income tax were withheld.

IRS regulations provide that an employer may choose to use separate Forms W-2 to report employee compensation derived from separate components. Therefore, amounts paid to an individual who provides both election worker services and non-election worker services can be reported on separate Forms W-2. If the election worker is employed in another capacity with the same government entity, see Revenue Ruling 2000-6 for detailed instructions and examples. Form 1099-MISC should not be used to report election worker payments.

The following examples illustrate typical election worker situations. MTA has edited original examples from the IRS website to use the term "Township" instead of government entity AND revised situations to clarify that in Michigan, election workers are not subject to a township 218 Agreement.

### **Situation #1: The election worker provides NO other service to the entity and is NOT paid \$600 or more.**

A township pays worker \$575 for election worker services in a calendar year. The election worker does not provide any other service to the township. Since the payment is under \$600, there is no requirement to report the amount on Form W-2. No income tax withholding applies because the compensation is only the election worker services. And, because the payment made to that election worker is less than \$2,000, FICA withholding doesn't apply and no amounts are reported as Social Security and Medicare wages on Form W-2.

### **Situation #2: The election worker provides NO other service to the entity but IS paid \$600 or more.**

A township pays election worker \$650 for election worker services in a calendar year. The election worker does not provide any other service to the township. Since the payment is \$600 or more, the amount must be reported on Form W-2. No income tax withholding applies because the compensation is only the election worker services. But the \$650 must be reported as wages (Box 1) on Form W-2 per Section 6041(a). And, since

the payment made to the election worker is less than \$2,000, FICA withholding doesn't apply, and no amounts are reported as Social Security and Medicare wages on Form W-2.

**Situation #3: The election worker provides NO other services to the township but IS paid at least the Federal threshold amount.**

A township pays an election worker \$2,001 in a calendar year for election worker services. The election worker does not provide any other services to the township. Because the payment made to the election worker is \$2,000 or more, FICA withholding is applicable on the entire \$2,001 of compensation under mandatory Social Security and mandatory Medicare. The payment must be reported as Social Security and Medicare wages on Form W-2 per Sections 6041(a) and 6051(a). No income tax withholding is applicable because it is only the election worker services, but the \$2,001 must be reported as wages (Box 1) on Form W-2.

**Situation #4: The election worker DOES provide other services to the entity but IS paid \$600 or more.**

The election worker position cannot be included in a 218 Agreement in Michigan, but if a township does have a 218 Agreement (not all do), then any other services that the person who serves as an election worker provides could be covered by the township's 218 Agreement for the FICA withholding (Social Security and Medicare).

A township pays election worker \$650 in a calendar year for election worker services. and also employs the person who is the election worker in another capacity in which the person earns \$1,000 in a calendar year. Since the payment for the election worker services is \$600 or more, the amount must be reported on Form W-2. No income tax withholding applies because the compensation is only the election worker services. But the \$650 must be reported as wages (Box 1) on Form W-2 per Section 6041(a).

The \$1,000 payment for non-election worker services IS subject to income tax and FICA withholding. If the township has a 218 Agreement, the township would withhold the FICA at the rate set in the 218 Agreement.

Separate Forms W-2 may be used for the two types of payments (one for the payment of \$650 (which is not subject to income tax withholding because it is only for election worker services) and one for the payment of \$1,000, which is subject to income tax withholding.

**Situation #5: The election worker DOES provide other services to the entity and IS paid at least the Federal threshold amount.**

The election worker position cannot be included in a 218 Agreement in Michigan, but if a township does have a 218 Agreement (not all do), then any other services that the person who serves as an election worker provides could be covered by the township's 218 Agreement for the FICA withholding (Social Security and Medicare).

If the township pays an election worker \$2001 in a calendar year for election worker services, and also employs the person who is the election worker in another capacity in which the person earns \$1,000 in the calendar year.

Because the payment made to the election worker is \$2,000 or more, FICA withholding is applicable on the entire \$2,001 of election inspector compensation under mandatory Social Security and mandatory Medicare. The payment must be reported as Social Security and Medicare wages on Form W-2 per Sections 6041(a) and 6051(a). No income tax withholding is applicable because it is only the election worker services, but the \$2,001 must be reported as wages (Box 1) on Form W-2.

The \$1,000 payment for non-election worker services IS subject to income tax and FICA withholding. If the township has a 218 Agreement, the township would withhold the FICA at the rate set in the 218 Agreement.

Separate Forms W-2 may be used for the two types of payments (one for the payment of \$600 (which is not subject to income tax withholding because it is only for election worker services) and one for the payment of \$1,000, which is subject to income tax withholding.

## Conclusion

Remember, compensation paid for election worker services is included in income and may be subject to income tax and FICA taxes as well as reporting requirements.

For additional guidance on election worker treatment, see:

- [General Instructions for Forms W-2 and W-3](#)
- [Publication 963](#)
- [Publication 15](#)
- [Publication 15-B](#)
- [Publication 5137, Fringe Benefit Guide, Office of Federal, State and Local Governments](#)
- [Revenue Ruling 2000-6](#)

More information on the treatment of election workers is available on the [SSA election worker](#) page.

## MODIFICATION NO. 975

### TO MICHIGAN STATE SOCIAL SECURITY AGREEMENT

The Commissioner of Social Security and the State of Michigan, acting through its representative designated to administer its responsibilities under the agreement of December 17, 1951, hereby accept the following amendment to said agreement.

Paragraph (B) of said agreement, related to services covered is amended by adding to the list of excluded services the following paragraph:

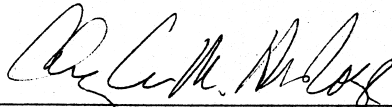
(6) Services performed by election officials and election workers for calendar year 2003 in which the remuneration paid for such services is less than \$1,200, and for each calendar year after 2003 in which the remuneration paid is less than the adjusted amount, as described below, beginning with services performed in the year that this modification was mailed or delivered by other means to the Commissioner.

The \$1,200 limit on the excludable amount of remuneration paid in a calendar year for the services specified in this modification will be subject to adjustment for calendar years after 2003 to reflect changes in wages in the economy without any further modification of the agreement, with respect to such services performed during such calendar years, in accordance with Section 218(c)(8)(B) of the Social Security Act.

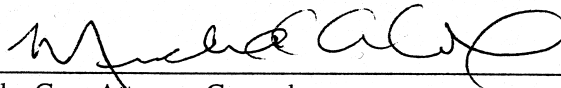
This exclusion applies to all coverage groups of the State and its political subdivisions currently (as of the date this modification is executed) included under this agreement and to which the agreement is hereafter made applicable.

Effective date of exclusion: January 1, 2003.

Approved for the State of Michigan this 18th day of December, 2003.



Christopher M. DeRose, Executive Secretary  
State Employees Retirement Board



Mike Cox, Attorney General  
State of Michigan

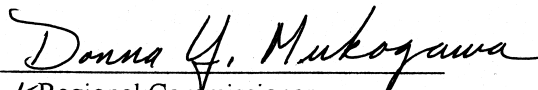
**ORS**

Approved this 6th day of April, 2004

APR 08 2004

Commissioner of Social Security

By:



*Assistant* Regional Commissioner  
Social Security Administration