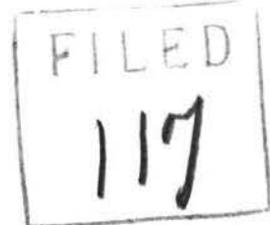


Opinion No. 117
Answered by Letter (DeFeo)

January 11, 1966



Mr. G. L. Donahoe
Executive Secretary
Public School Retirement System
Farm Bureau Building
Jefferson City, Missouri

Dear Mr. Donahoe:

In reply to your inquiry of November 30, 1965, and in confirmation of our telephone conversations:

It is my opinion that tax deductions under P.L. 89-97, (commonly known as Medicare) are to be included in "the amount of Federal Social Security taxes" used to calculate the contribution rate for the Non-Teacher School Employee Retirement System as proved by Section 169.620(4), RSMo. Supp. 1965.

P.L. 89-97, amends the Social Security Act by adding sections; viz., 42 U.S.C. 401-425. P.L. 89-97, also amends Section 3101 of the Internal Revenue Code of 1954 (U.S.C. 3101), and provides the following tax rates in 1966, for: Old-Age, Survivors, and Disability Insurance, 3.85 percent; Hospital Insurance, 0.35 percent. Provision is also made for increasing these rates in subsequent years.

Therefore, the Non-Teacher contribution rate should be reduced for 1966 by 4.2 percent, as to wages upon which Social Security taxes are deducted.

Yours very truly,

NORMAN H. ANDERSON
Attorney General

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