Special classes of employment and special types of payments		Treatment under employment taxes		
		Federal income tax withholding	Social security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)	FUTA
Fringe benefits.		Taxable on excess of fair market value of the benefit over the sum of an amount paid for it by the employee and any amount excludable by law. However, special valuation rules may apply. Benefits provided under cafeteria plans may qualify for exclusion from wages for social security, Medicare, and FUTA taxes. See Pub. 15-B for details.		
Governm	ent employment:			
State/local governments and political subdivisions, employees of:				
a.	Salaries and wages (includes payments to most elected and appointed officials). See chapter 3 of Pub. 963.	Withhold.	Generally, taxable for (1) services performed by employees who are either (a) covered under a section 218 agreement, or (b) not covered under a section 218 agreement and not a member of a public retirement system (mandatory social security and Medicare coverage); and (2) (for Medicare tax only) for services performed by employees hired or rehired after March 31, 1986, who aren't covered under a section 218 agreement or the mandatory social security provisions, unless specifically excluded by law. See Pub. 963.	Exempt.
b.	Election workers. Election individuals are workers who are employed to perform services for state or local governments at election booths in connection with national, state, or local elections. Note: File Form W-2 for payments of \$600 or more in 2025 (\$2,000 or more in 2026) even if no social security or Medicare tax was	Exempt.	Taxable if paid \$2,500 or more in 2026 (lesser amount if specified by a section 218 social security agreement). See Revenue Ruling 2000-6.	Exempt.
C.	withheld. Emergency workers. Emergency workers who were hired on a temporary basis in response to a specific unforeseen emergency and aren't intended to become permanent employees.	Withhold.	Exempt if serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency.	Exempt.
2. U.S. fee	deral government employees.	Withhold.	Taxable for Medicare. Taxable for social security unless hired before 1984. See section 3121(b)(5).	Exempt unless worker is a seaman performing services on or in connection with American vessel owned by or chartered to the United States and operated by general agent of Secretary of Commerce.
Homewo	rkers (industrial, cottage :			
1. Cor	mmon law employees.	Withhold.	Taxable.	Taxable.
2. State	tutory employees. See <u>section 2</u> for ails.	Exempt.	Taxable if paid \$100 or more in cash in a year.	Exempt.
	employees:		,	
•	erns.	Withhold.	Taxable.	Exempt.
2. Pati	ients.	Withhold.	Taxable (Exempt for state or local government hospitals.)	Exempt.

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