IN CITY COUNCIL
August 3, 2026

To the Honorable, the City Council:

Please see below a memo from Claire Spinner, Assistant City Manager, Fiscal Affairs, Rae Catchings, Chief People Officer, and Tanya Ford, Executive Director, Election Commission conveying a response to Awaiting Report 26-22 regarding election workers.

To: Yi-An Huang, City Manager

From: Claire Spinner, Assistant City Manager, Fiscal Affairs

Rae Catchings, Chief People Officer,

Tanya Ford, Executive Director, Election Commission

Date: August 3, 2026

Subject: Awaiting Report No. 26-22 Election Worker Hiring Requirements

This memo is in response to Awaiting Report #26-22, which requested that the City review IRS guidance and evaluate alternative administrative options to simplify election worker hiring requirements.

Background

The City's practice in prior election cycles was to require that all election workers, regardless of earnings, participate in income and Medicare tax withholdings and contribute to an OBRA 457 (b) plan account. However, upon reviewing IRS guidance regarding tax withholdings and FICA we have determined:

- **Income Tax Withholding:** Under federal rules, election worker pay is taxable, but not subject to mandatory federal tax withholding. However, workers may voluntarily choose to have income tax withheld.
- **FICA (Social Security and Medicare) Threshold and Withholdings:** For calendar year 2026**,** election workers earning less than $2,500 are exempt from FICA withholdings (Social Security and Medicare). However, once the total wages reach $2,500, the employer must withhold FICA on all earnings, retroactively, including previous compensation.

- *Social Security Alternative-OBRA*: Because most Massachusetts public employers do not participate in Social Security, employees who are ineligible for the state's public pension system are required to contribute to a mandatory OBRA 457(b) plan as a qualified alternative. (OBRA refers to the federal Omnibus Budget Reconciliation Act of 1990, which mandates that state and local government employees who do not participate in their employer's primary retirement system must be covered by either Social Security or an eligible alternative plan.)

Revised Procedures for Tax Withholding and FICA

Beginning with the 2026 elections, the City will no longer require election workers to participate in income tax withholdings; however, individuals may voluntarily choose to have income tax withheld. The City will also implement changes to requirements for OBRA 457(b) plan contributions and Medicare Tax withholdings to align with federal guidelines.

The 2026 FICA earnings threshold for Election Workers is $2,500. While many Standard Election Workers serve only on Election Day and do not reach this earnings limit, those assigned as Extended Election Workers have a higher likelihood of exceeding it. For context, in 2024, 29 of our 285 election workers surpassed the then-applicable $2,300 threshold.

To address these variations in earning potential, the HR and Election departments have established the following new protocols:

- **Standard Election Workers:** Workers assigned exclusively to Election Day are not required to contribute to an OBRA 457(b) plan or participate in Medicare tax withholding, as they are not expected to meet the FICA threshold.
- **Extended Election Workers:** Individuals assigned to additional election related work outside of only Election Day such as during the Early Voting period are required to contribute to an OBRA 457(b) plan and participate in Medicare tax withholding, given their projected earnings.

These revised procedures ensure full compliance with federal tax, FICA and OBRA rules.
Hiring and onboarding of election workers is underway for the September primary. The Elections, HR and Finance/Payroll departments are collaborating closely to ensure that these changes are implemented for election workers hired for this election, including revising forms and providing onboarding support to election workers.

Other Administrative Options

The City Council requested an evaluation of whether paying election workers via a flat daily stipend or using the vendor payment system, rather than the payroll system, would simplify administrative processes. Historically, the City pays election workers an hourly rate. The 2026 hourly rates are $20.32 or $24.00 per hour, depending on the role. The typical election workday is 11.5 hours; however, if an election worker is required to work after 8 p.m., they are paid the overtime rate (1.5 times hourly rate). After careful review, the City has determined that maintaining an hourly rate and processing payments through the payroll system remains the most effective approach for both the workers and the City and offers several critical advantages:

- **Compensation Flexibility:** It facilitates the payment of overtime rates for work extending beyond 8:00 p.m. on Election Day and allows for accurate compensation across the varied hours characteristic of Early Voting sites.

- **Operational Efficiency:** The payroll system supports the efficient, timely issuance of wages to all personnel.
- **Compliance & Reporting:** It enables the required FICA and OBRA contributions for those earning $2,500 or more annually and provides robust tracking and reporting capabilities that are not available through the vendor payment system.

Very truly yours,

Yi-An Huang
City Manager