WHAT GROUPS OF EMPLOYEES MAY BE COVERED

§ 404.1205 Absolute coverage groups.

(a) General. An absolute coverage group is a permanent grouping of employees, e.g., all the employees of a city or town. It is a coverage group for coverage and reporting purposes. When used for coverage purposes, the term refers to groups of employees whose positions are not under a retirement system. An absolute coverage group may include positions which were formerly under a retirement system and, at the State’s option, employees who are in positions under a retirement system but who are ineligible (see § 404.1208) to become members of that system.

(b) What an absolute coverage group consists of. An absolute coverage group consists of one of the following employee groups:

1. State employees performing services in connection with the State’s governmental functions;
2. State employees performing services in connection with a single proprietary function of the State;
3. Employees of a State’s political subdivision performing services in connection with that subdivision’s governmental functions;
4. Employees of a State’s political subdivision performing services in connection with a single proprietary function of the subdivision;
5. Civilian employees of a State’s National Guard units; and
6. Individuals employed under an agreement between a State and the U.S. Department of Agriculture as agricultural products inspectors.

(c) Designated coverage groups. A State may provide coverage for designated (i.e., selected) absolute coverage groups of the State or a political subdivision. When coverage is extended to these designated groups, the State must specifically identify each group as a designated absolute coverage group and furnish the effective date of coverage and any optional exclusion(s) for each group. Where a State has provided coverage to designated absolute coverage groups, the State may, by modifying its agreement, extend that coverage to any absolute coverage group in the State.

§ 404.1206 Retirement system coverage groups.

(a) General. Section 218(d) of the Act authorizes coverage of services of employees in positions under a retirement system. For purposes of obtaining coverage, a system may be considered a separate retirement system authorized by sections 218(d)(6) (A) or (B), or 218(1) of the Act. Under these sections of the Act a State may designate the positions of any one of the following groupings of employees as a separate retirement system:

1. The entire system;
2. The employees of the State under the system;
3. The employees of each political subdivision in the State under the system;
4. The employees of the State and the employees of any one or more of the State’s political subdivisions;
5. The employees of any combination of the State’s political subdivisions;
6. The employees of each institution of higher learning, including junior colleges and teachers colleges;
7. The employees of a hospital which is an integral part of a political subdivision; or
8. The employees in police officers’ positions or firefighters’ positions, or both.

If State law requires a State or political subdivision to have a retirement system, it is considered established even though no action has been taken to establish the system.

(b) Retirement system coverage groups. A retirement system coverage group is a grouping of employees in positions under a retirement system. Employees in positions under the system have voted for coverage for reporting purposes. Once coverage has been obtained, the retirement system coverage group becomes part of one of the absolute coverage groups described in § 404.1205(b).

(c) What a retirement system coverage group consists of. A retirement system coverage group consists of: