

For the \$150-a-year test, both piece-rate and time-rate cash pay count. The total number of days worked does not matter so long as you are paid \$150 in cash by the employer in the year.

For the 20-day test, the total amount of your cash pay does not matter so long as you work for one employer on 20 days or more for cash pay based on some unit of time such as an hour, a day, or a week.

#### *Farm Labor Crews and Crew Leaders*

Wages paid to members of a labor crew, such as those used to pick cotton and harvest fruits and vegetables, may be covered by the social security law, but in the past it has sometimes not been easy to tell whether the employer of the members of the crew was the farmer who was having the work done or the crew leader (or "labor contractor" or "row boss"). The new amendments make it easier to tell which is the employer.

If you are a crew leader, the crew members you furnish and pay are your employees unless you and the farmer have entered into a written agreement which shows that you are his employee.

If you are a farm operator using crew workers, and you have entered into a written agreement with the crew leader which shows that he is your employee, then the crew members are also your employees.

This provision is effective for work performed after December 31, 1956.

#### *Foreign Agricultural Workers*

The 1954 law did not cover agricultural work performed by workers from Mexico hired under contract or by foreign workers lawfully admitted from the British West Indies on a temporary basis.

Under the amendments, agricultural work performed by foreign workers admitted to the United States on a temporary basis from any foreign country will not be covered by the law after 1956.

## WHAT YOU SHOULD DO

If your work was brought under social security by the 1956 amendments and you do not have a social security card, you should go to your social security office and get one without delay. If there is no social security office near you, ask for an application blank (Form SS-5) at the post office, fill it out, and mail it to the nearest social security office.

After you get your card, show it to your employer. He needs your social security number to report your wages properly.

If you are self-employed, you will need your social security card when you make out your social security self-employment tax report. This report is part of your individual Federal income tax return.

If you are an employer and you are paying or expect to pay farmworkers taxable cash wages during the year, and if you do not already have an employer identification number, you should apply for one without delay. You can get the proper blank at your social security office or at your Internal Revenue Service office.

For further information about social security cards or social security benefits, get in touch with your social security district office.

For further information about social security employment taxes or self-employment taxes, get in touch with your Internal Revenue Service office.

If you do not know the addresses of these offices, ask at your post office.

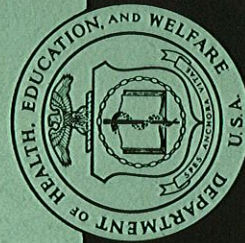
### Resource ID 7982

## The Rights of Farm People under the 1956 Amendments to the Social Security Law

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. - Price, \$2.50 per 100 copies

U. S. GOVERNMENT PRINTING OFFICE: 1955-O-394783

# The rights of farm people under the 1956 amendments to the social security law



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U. S. DEPARTMENT OF  
HEALTH, EDUCATION, AND WELFARE  
Social Security Administration



# The Rights of Farm People Under the 1956 Amendments to the SOCIAL SECURITY LAW

If you own, rent, or work on a farm, the changes made in the social security law by the 1956 amendments may be important for you and your family. Here is a list of the changes; some of the details about them are given on the following pages.

- If you're a self-employed farmer, you may have a new optional method of figuring your earnings for social security purposes. You may use it regardless of whether you keep records on the cash or the accrual basis and regardless of whether you are an individual operator or a member of a farm partnership. See page 3.
- If your land is farmed by someone else and you take part in the management or production of the crop, your income from that land after 1955 may count toward social security benefits for you. See page 3.
- Do you have an arrangement with someone else for farming on shares? Is the person who does the work a self-employed farmer or an employee? The amendments tell how to find the answers. See page 4.
- If you're a farm employee or farm operator, you'll want to know about the new rule for telling when a farmworker's wages are covered by the law. It goes into effect January 1, 1957. See page 4.
- If you're the leader of a crew of farmworkers, or a farm operator, or a member of a farm labor crew, you'll need to know about a rule in the new amendments that explains how to determine who is the employer of a crew of farmworkers. See page 5.

- Do you hire foreign workers who have been temporarily admitted to the United States to do agricultural work? Some of them may have been covered by the law in 1956, but none are covered after 1956.

See page 5.

## HERE ARE SOME OF THE DETAILS OF THE NEW LAW

### *Optional Method of Figuring Self-Employment Earnings*

Self-employed farmers who report on a cash basis have had an optional method of figuring their net earnings ever since they were first covered by the law. The 1956 amendments permit members of a farm partnership and individual farmers who keep books on an accrual basis also to use a revised optional method.

Under the new optional method, for taxable years ending on or after December 31, 1956:

- If your gross income from agricultural self-employment is not more than \$1,800, you may count as your net earnings from farm self-employment either your actual net earnings or two-thirds of your gross farm income.
- If your gross farm income is more than \$1,800 and your net farm earnings are less than \$1,200, you may use either your actual net earnings from farming or \$1,200.
- If your gross farm income is more than \$1,800 and your net farm earnings are \$1,200 or more, you must use the actual amount of your net farm earnings.

### *Your Income From Land Farmed by Someone Else*

Beginning with 1955, earnings from self-employment as a farm operator have counted toward social security benefits. Under the old law, however, you did not get social security credit for cash or crop shares you received as rent for your land.

Under the 1956 amendments, the cash or crop shares you receive from a tenant or share-farmer will count for social security purposes if under your arrangement with the tenant or share-farmer you "participate materially" in the production of the crops or livestock or in the management of the production.

In order to "participate materially" you must take an important part in the management decisions or in the actual production.

### *Share-Farmers*

If you use farmland owned by someone else and you receive a share of what you produce, your earnings may have been covered by the social security law since the beginning of 1955. The 1956 amendments make it clear that if, under an ordinary cropping arrangement, the crops or livestock you produce are divided between you and the landlord, with your share depending on the total amount produced, then you are considered a self-employed farmer for social security purposes. This is true even if the landowner takes an active part in the farm operations. This rule is effective for all taxable years ending after 1954.

### *When Farmworkers Are Covered*

If you worked for a farmer before 1957, you got social security credit if the farmer paid you \$100 or more in cash wages in the calendar year.

Under the new law, beginning with 1957 your earnings from farmwork will count toward social security benefits under either of these conditions:

- If a farm employer pays you \$150 or more in cash during the year, your cash pay from that employer is covered by the law.
- If you do farmwork for an employer on 20 or more days during a year for cash pay figured on a time basis (rather than on a piece-rate basis), your cash pay for that employer is covered by the law.