



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF  
CHIEF COUNSEL

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Sarah Hall Ingram  
COR-117579-00  
UIL 3121.02-00

The Honorable [REDACTED]  
U. S. House of Representatives  
Washington, D.C. 20515

Dear [REDACTED]:

This letter is in response to your inquiry dated September 1, 2000, on behalf of your constituent, [REDACTED]. [REDACTED] asks for an explanation of employment for Federal Insurance Contributions Act (FICA) as defined under section 3121(b) of the Internal Revenue Code.

Generally, the term "employment" means services performed by an employee within the United States, and those services performed outside the United States by a citizen or resident of the United States for an American employer. The term "employment" for FICA purposes has 21 exceptions which include services performed by the following:

- 1) Certain foreign agricultural workers performing service on a temporary basis
- 2) Certain students in a local college club, fraternity or sorority
- 3) Children under the age of 18 employed by a parent, and individuals under the age of 21 employed by a parent, child, or spouse for non-domestic services in an employer's private home or for services not in the employer's trade or business
- 4) A worker connected with a non-American vessel or aircraft outside the United States if the worker is not a U.S. citizen or the employer is not an American employer
- 5) Certain federal employees performing service on December 31, 1983
- 6) Certain inmates of a United States penal institution, certain student employees of federal hospitals, and certain temporary emergency workers
- 7) Certain state and local government employees
- 8) Certain ordained, commissioned or licensed ministers, or members of religious orders, performing certain required services, as well as certain other services in the employ of a church, or church-controlled organization, that opposes for religious reasons the payment of OASDI taxes
- 9) Certain railroad employees and employee representatives
- 10) Students employed by the school they attend
- 11) A worker employed by a foreign government

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- 12) Certain workers for agencies or organizations wholly owned by a foreign government
- 13) Student nurses for a hospital or nurses' training school
- 14) Certain individuals under the age of 18 who deliver newspapers and shopping news and certain other newspaper and magazine sellers
- 15) Certain non-federal workers employed by international organizations
- 16) Certain sharecroppers
- 17) Certain workers employed by an organization required to register under the Internal Security Act of 1950
- 18) A resident of the Republic of the Philippines performing certain temporary services in Guam
- 19) Certain nonresident aliens
- 20) Certain crew members of some fishing boats
- 21) Certain workers under the age of 18 performing domestic services in the employer's private home.

This letter will be available for public inspection after we delete identifying information, including names and addresses, under the Freedom of Information Act.

I hope this information will be helpful. If we can be of further assistance in this matter, please contact me at (202) 622-6000 or Joe Spires (ID # 50-17971) at (202) 622-6040.

Sincerely,

Sarah Hall Ingram  
Division Counsel/Associate Chief Counsel  
(Tax-Exempt and Government Entities)