



# Federal Tax Obligations For School District Employees

## Coaches

School coaches are considered employees under the common law because a coach:

- Performs his services on school property;
- Must adhere to a schedule established by the school;
- Must function under policies and regulations established for the school;
- Has no investment in facilities and has no opportunity for profit or loss;
- Is an integral part of the school's trade or business; and
- Must perform his services personally.

Schools are liable for negligent or tortious conduct of their faculty members.

Payments to school coaches are wages subject to applicable employment taxes. School districts are responsible for reporting all payments, fees, or stipends for the coach's services on Form W-2. For more information on common law employees, see [Independent Contractor \(Self-Employed\) or Employee?](#)

## School board members

Consult the statutes or ordinances establishing a position to determine whether the position is a [public office](#), but in most cases school board members are considered public officials who hold a public office because:

- School boards are created by state or local statute;
- Members' tenure, duration, pay and duties are fixed by law;
- The member is subject to a degree of control in terms of when and how they fulfill their obligations; and
- The member is subject to a chain of command that includes provisions for the member's removal.

Therefore, school board members are considered employees and their compensation is subject to employment taxes and reporting on Form W-2. It does not matter what an official's compensation is called or how often it is paid. For more information on the definitions of public office and public officials see [Tax Withholding for Government Workers](#).

## Section 218 agreement exceptions

State and local government employees may be covered for social security and Medicare under a Section 218 Agreement between the state and the Social Security Administration. Under some circumstances, an employee may be excluded from social security or Medicare, or both. If a school district has a Section 218 Agreement, which also applies to school board members, the fees received for serving as a school board member are still subject to income tax withholding under Internal Revenue Code section 3401(c). For more information, see [Section 218 Agreements and Social Security Coverage](#).

*Page Last Reviewed or Updated: 20-Jan-2022*