

Social Security Numbers and Information

You may not request the documents listed on Form I-9 that applicants can use as proof of identity to establish their right to work in the U.S. Applicants must choose these of their own volition. If they submit an SS card, you can make a copy; if they do not, you cannot ask for it.

However, after someone is hired, you can request a Social Security card to copy for payroll records. A good time to request it is when a new hire submits a W-4. If the W-4 is submitted with the I-9, have someone else in your firm request the SS card so you are not accused of requesting the SS card for I-9 purposes.

The best approach is as follows:

- Personally verify each new employee's SSN by asking to see a Social Security card. Photocopy the card for your records. This is not unlawful when done for the purpose of W-2 reporting. If the employee has an SSN but not a card, call 1-800-234-5772 to verify the SSN.
- If a new employee claims not to have an SSN, explain that it is his or her responsibility to obtain one. Ask the employee to get one and show you a receipt indicating that an SSN was applied for. Keep a copy of the receipt in your personnel or tax records and indicate "applied for" in the SSN area of the W-2 if an SSN is not obtained by the W-2 filing deadline.
- If you don't have the employee's SSN by the time you must file a W-2, attach to copy A (the copy sent to the Social Security Administration):
 - a. a copy of Form SS-5 that the employee has completed; or
 - b. a statement signed by the employee showing his or her:
 - full name
 - present or last known address
 - date and place of birth

- father's full name
- mother's full maiden name
- a statement on whether the application was previously filed and its date of filing

The employer is also required to provide an explanation if it did not secure the employee's SSN.

When the employee obtains an SS card, complete a W-2c and, instead of checking "applied for," provide the SSN shown on the employee's SS card. Give a copy of the W-2c to the employee and file it with the SSA.

Matching names and SSNs

Any mismatch between the employee's name and SSN as it appears on the W-4 v. the W-2 can result in penalties.

Updating payroll records regularly

To ensure that employees get proper credit for earnings:

- ✓ Ask employees to verify their name and SSN before you close out your books and prepare your W-2s.
- ✓ When a name is changed, continue to use the old name until the employee presents you with the updated SS card and revised W-4—otherwise, or the SSA may not properly post the employee's earnings and you could be assessed penalties for a name and SSN mismatch.
- ✓ Explain to employees that you can't accept their new name until you *see* their new SS card and revised W-4. Tell them to submit Form SS-5 with the required documentation.
- ✓ Watch for phony SSNs. They do not begin with 8 or 9, and cannot be all 1's, 3's or 123-45-6789.

For more information:

- Call 800-772-6270 and request SSA Publication 20-004; or
- Visit www.socialsecurity.gov/employer and select: "SSN Verification."

[SSA Pub. 20- 005, ICN# 437010, Revised March 2003]

Preventing identity theft using stolen SSNs

To prevent identity theft, a growing problem, in 2003, **California** passed a law [S.B. 168, L. 2001] that limits SSN use:

- ❑ SSNs cannot be publicly posted or displayed, such as on timecards that others can see.
- ❑ SSNs cannot be printed on materials mailed to individuals, such as medical insurance ID cards, unless federal or state law requires it.
- ❑ Web sites and Web pages cannot require individuals to transmit their SSNs unless they are "PIN"-protected or encrypted.

Other states are considering similar laws. Before using SSNs as employee ID numbers, check with state authorities.

The 2004 **Oklahoma** law [H.B. 2488, Laws 2003, May 12, 2004] might even be used as a blueprint for your company policy. As of Nov. 1, 2004, employers in Oklahoma may not:

- ✓ publicly post or display in any manner an employee's SSN;
- ✓ print the employee's SSN on any card required for the employee to access employer-provided information, products or services;
- ✓ require employees to transmit their SSN over the Internet, unless the connection is secure or the SSN is encrypted;
- ✓ require employees to use their SSN to access a Web site,

unless a password or unique personal identification number or other authentication device is also required to access the Internet Web site; or

✓ print the employee's SSN on any materials mailed to the employee, unless state or federal law requires it.

The law also stipulates that:

- SSNs may be included in applications and forms sent by mail, including documents sent as part of an application or enrollment process; or to establish, amend or terminate an account, contract or policy; or to confirm the accuracy of the SSN.
- Prohibitions on the use of SSNs do not apply to a health benefit plan membership I.D. card issued or renewed prior to Jan. 1, 2005, but after this date will apply to all health benefit plan membership cards upon issuance or renewal.
- The prohibitions will not prevent the collection, use or release of an SSN required by state or federal law or the use of an SSN for internal verification or administrative purposes. An employee may give an employer written permission to use his or her SSN for any of the uses otherwise prohibited.

Important: You may want to add other restrictions to these guidelines. If an employee's SSN is stolen as a result of your company's use of that SSN and the employee is defrauded by the thieves, your company could be subject to costly lawsuits.