



BRIEFING RETURN OF SSA NO-MATCH?

Issue:

Employers and third-party payroll providers are receiving an Educational Correspondence (EDCOR) Announcement notice from the Social Security Administration (SSA) informing employers that a W-2 form for 2017 contains a name and social security number (SSN) combination that does not match SSA’s records – a SSN mismatch. This is a courtesy precursor announcement. In 2019, SSA intends to mail EDCOR notifications to employers who submit at *least* one 2018 W-2 with an SSN mismatch. These notices differ from previous “no- match” letters as they will not include names or SSNs. Instead, employers will merely receive a letter with the raw number of W-2 forms the employer submitted that do not match. The employer will be encouraged/responsible to determine which forms are inaccurate by registering for the Social Security Verification System (SSNVS) or a similar service. To the right is an example of an EDCOR announcement received in 2018.

Summary:

The stated reason SSA plans to reinstate EDCOR notices is to notify employers and employees that the corresponding W-2 form name and number mismatch prevents the SSA from crediting earnings to a worker’s record. The letter advises employers and employees to collaborate in order to fix this discrepancy, so the employee receives the social security benefits they are entitled to receive. For an undocumented employee, it is not possible to fix the discrepancy because they are not entitled to have a Social Security account. Employers who gain knowledge that an employee is not work authorized or is using a false Social Security document cannot continue to employ such workers.

Background:

This is not the first time the SSA mailed EDCOR letters to employers. No-Match letters appeared in the Bush Administration in 2007 by the Department of Homeland Security promulgating the “No-Match Safe Harbor” regulation. The regulation stated that employers would not be liable for a charge of continuing to employ an unauthorized employee if the employer engaged in a reasonable investigation when confronted with an EDCOR letter. Litigation by the ACLU and employer groups ensued, and the Obama Administration did not enforce the regulation or defend the lawsuit, and discontinued sending EDCOR letters.

Social Security Administration
Retirement, Survivors and Disability Insurance
 Educational Correspondence (EDCOR) Announcement

(Insert Date)

EMPLOYER’S NAME
 STREET ADDRESS
 CITY, STATE, ZIP

We ask that you help us ensure the accuracy of wage reporting for your employees by registering for Business Services Online (BSO). We have been recording these earnings for over 80 years to reconcile employer wage reports and ensure individuals receive the benefits they have earned.

Services Available to Ensure Accurate Wage Reporting

To ensure the accuracy of Social Security number (SSN) and name combinations submitted as part of the wage reporting process, we offer various free online services to employers through our BSO. We highly recommend registering and using these services before, during, and after submitting wage reports.

BSO is available at www.ssa.gov/bso where you can find several of the following services, as well as informational how-to videos for creating a BSO account.

- **Social Security Number Verification Service (SSNVS) Application:**
Employers can verify that their employees’ names and SSNs match Social Security Administration’s (SSA) records. NOTE: This application should only be used for wage reporting purposes, not for screening job applicants.
- **W-2 and W-2C Online:** Employers can create, save, print, and submit up to 50 Forms W-2 or 25 Forms W-2C per submission to SSA. While entering

In 2011, EDCOR letters resurfaced, this time disclosing that these letters were not “just cause” to fire or question employees’ legal status. In 2012, the Obama administration suspended the program ostensibly due to lack of resources.

There is no question that steps can be taken to clean up the SSA database. One estimate is that 39 million fraudulent social security numbers were filed since the suspension of the EDCOR program in 2012, and there are hundreds of billions of dollars of social security contributions in a “suspense file” because the agency cannot match the contribution to an account.

There is also no question that “No-Match” closely tracks the undocumented immigrant debate. The Bush Administration filed the initial EDCORs and subsequent No-Match Safe Harbor rule after Congress abandoned immigration reform.

What to Expect:

Employers and third-party providers can expect a Notification for the 2018 W-2. The sample letter may look something like the one pictured below.

Social Security Administration
Retirement, Survivors and Disability Insurance
Third Party Provider Notification

(Insert Date)

THIRD PARTY NAME
STREET ADDRESS
CITY, STATE. ZIP

Social Security will begin mailing Educational Correspondence (EDCOR) notices in the middle of next year to businesses and employers who submit wage and tax statements (Form W-2) that contain name and Social Security number (SSN) combinations that do not match our records. There are a number of reasons why reported names and SSNs may not agree with our records, such as typographical errors, unreported name changes, and inaccurate or incomplete employer records.

If we cannot match the name and SSN reported on a Form W-2 to our records, we cannot reconcile employer wage reports and credit earnings to a worker’s record. When earnings are missing, the worker may not qualify for the Social Security benefits they are due or the benefit amount may be incorrect. The EDCOR notice will request employers to review their records and correct errors.

Soon, we will be sending an announcement letter to these businesses and employers with one or more name and SSN combinations submitted within the last several months that we could not process. The announcement letter informs them they will receive an EDCOR notice in 2019 and requests them to review and correct their records. If you are receiving this letter, we believe you will likely have clients who will receive the announcement letter.

You can find information about correcting name and SSN mismatches at a link to our Frequently Asked Questions and other important information at www.socialsecurity.gov/employer. These resources can answer most of your questions.

Further explanation in the spring of 2019 may look something like this:

Why You Are Getting This Letter

You reported **X#** employee names and Social Security numbers (SSN) on the Wage and Tax Statements (Forms W-2) for tax year xxxx that do not match our records. We need corrected information from you so that we can reconcile employer wage reports and credit your employees' earnings to their Social Security records. It is important because these records can determine if someone is entitled to Social Security retirement, disability, and survivors benefits, and how much he or she can receive. If the information you report to us is incorrect, your employee may not get benefits he or she is due.

There are a number of reasons why reported names and SSNs may not agree with our records, such as typographical errors, unreported name changes, and inaccurate or incomplete employer records.

IMPORTANT: This letter does not imply that you or your employee intentionally gave the government wrong information about the employee's name or SSN. This letter does not address your employee's work authorization or immigration status.

You should not use this letter to take any adverse action against an employee, such as laying off, suspending, firing, or discriminating against that individual, just because his or her SSN or name does not match our records. Any of those actions could, in fact, violate State or Federal law and subject you to legal consequences.

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What You Should Do

To view the names and SSN that could not be matched to our records, please use the Employer Report Status within Business Services Online (BSO). To begin using BSO, you must complete a one-time registration process. To register, go to www.socialsecurity.gov/bsowelcome.htm. You may also file your Form W-2C corrections using W-2C online.

Additionally, we provide a free Social Security Number Verification Service (SSNVS) through BSO that allows you to verify employees' names and SSNs in our records in advance of filing your annual Forms W-2 submissions. Using SSNVS can significantly reduce errors through BSO.

Please review the name and SSN information you submitted on the Form W-2 and provide us necessary corrections on the Form W2-C within 60 days of receipt of this letter so we can maintain an accurate earnings record for each employee and make sure your employees get the benefits they are due.

If You Have Any Questions

If you have any questions, please call us toll-free at 1-800-772-6270 (TTY 1-800-325-0778) between 7 a.m. and 7 p.m., Eastern time, Monday through Friday. We can answer most questions over the phone. If you call, please have this letter with you. It will help us answer your questions. Also, general program information is available from our website at www.socialsecurity.gov/employer.

Social Security Administration

As you can see, employers are directed to undertake an investigation to resolve the issue. The investigation may not be used “*to take adverse action against an employee, such as laying off, suspending, firing, or discriminating against that individual.*” **Employers have 60 days to accomplish their investigation and correct problem W-2s.** In the past employers that did not provide corrections on the tax form were subject to internal revenue service penalties. It is unclear what the consequences will be for failure to take the recommended steps to resolve the issue.

Conclusion:

No-Match will likely be an issue for employers in 2019. Employers who are prepared to take the recommended steps of registering with Business Services Online and utilizing the Social Security Number Verification System will probably face very few adverse actions. Employers who do not respond may face fines, penalties, or investigations. As we learn more, we will keep you informed.

To view the full announcements and notices the SSA will plans to mail for 2018 and Spring of 2019 go to: <https://www.ssa.gov/employer/notices.html>.