



THE CRITICAL LINK

Names and Social Security Numbers

Each year employers send to Social Security Administration (SSA) Copy A of Forms W-2. SSA matches the name and Social Security number (SSN) on each W-2 against its database of all SSNs issued. When a match is found, the earnings information from the W-2 is recorded in the employee's lifelong earnings history.

The earnings history is the basis for determining an employee's future eligibility and benefit amount to SSA's retirement, disability and survivors programs.

That's why it is critical that each employee's name and SSN as shown on their Social Security card match your payroll records and year-end Forms W-2.

The Internal Revenue Service's *Publication 15, Circular E, Employer's Tax Guide* contains instructions for recording employee's names and SSNs. The tax guide states that after an employee is hired, ask to see his/her Social Security card. The employee is required to show you the card if it is available. You may, but are not required to, photocopy the card.

Following are suggestions to make sure that each employee gets proper credit for their earnings.

Update Your Payroll Records

Ask employees to verify their name and SSN before you close-out your books and prepare Forms W-2. If a name has changed, continue to use the old name until the employee

obtains an updated Social Security card with the new name. *Using a new name without updating SSA's records may prevent the posting of earnings.*

Employees should change their names on SSA's records by submitting Form SS-5 along with acceptable documentation. Tell employees that notifying your payroll office about a name change is not enough. The employee must contact Social Security.

Avoid These Common Errors

- Incorrect name or SSN
- Misspelled names
- Nicknames or shortened names
- Using titles before or after the name
- Name changes not reported to SSA

Use the Correct Name Format

Enter the name on Form W-2 as shown on the employee's Social Security card. Do not show titles or academic degrees, such as Dr., RN, or Esq., at the beginning or end of the worker's name. Do not use Jr. or Sr. even if it's on the Social Security card.

Compound names no longer require a hyphen. Connect parts of a compound name with either a hyphen or a blank space. Do not join them into a single word.

If an employee has a compound name, include all of the parts in the appropriate name field. For example, the name John R Smith-Jones. Enter Smith Jones in the last name field.



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It's especially important to know the exact last name. If an employee provides a name with apparent compound or multiple last names, carefully question them to determine which name is the beginning of the surname and which (if any) is the middle name.

If the Social Security card contains a middle name, always complete the W-2 using just the middle initial.

Use the Correct SSN

Enter the SSN shown on the employee's Social Security card. SSNs do not begin with an 8 or 9 and cannot be all 1's, 3's, or 123-45-6789.

If you hire someone who does not have a Social Security card, ask him/her to obtain one as soon as possible. If you still don't have an SSN when your W-2 report is due, complete the account number field by entering "applied for" in Box "d" of a **paper** Form W-2 and all zeros (0) in locations 3-11 of the RW record when **filing electronically or on magnetic media**.

When the employee obtains a Social Security card, complete and submit a Form W-2c (Corrected Wage and Tax Statement) to make the correction.

Verify Names/SSNs with SSA

You can use SSA's free service to match employee's names and SSNs with SSA's records at the time of hire or before you prepare and submit Forms W-2. There are three verification options.

If you have:

- **Up to 5 names and SSNs** - call SSA's Employer Helpline at 1-800-772-6270 and a Social Security representative will verify the numbers while you wait. When you call have available your Employer Identification Number and the employee's full name, SSN, date of birth and gender.
- **Up to 50 names and SSNs** - contact your local Social Security office.
- **More than 50 names and SSNs** - can be submitted on magnetic tape, cartridge or diskette (regardless of how many items you want verified). A simple registration process is required.

Visit www.socialsecurity.gov/employer and select SSN Verification for more information or call 1-800-772-6270 and request SSA Publication 20-004.