

Social Security Administration

Internal Revenue Service

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Internal Revenue Service

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Reporter

Summer 2003

A Newsletter
for Employers

Employers Must Ensure Reserve, Guard Members Return to Jobs

Civilians Called To Active Duty Are Entitled To Return To Their Previous Employment

Reservists and National Guard members who are called to active duty by the president have re-employment rights to their civilian jobs, as part of the Uniform Services Employment and Reemployment Rights Act (USERRA), administered by the U.S. Department of Labor.

Under USERRA, Reserve and National Guard members who leave their civilian jobs must be re-employed to the same position they would have had if their employment had not been interrupted by military service. They are entitled to all seniority and other rights and benefits determined by seniority that they would have attained if they had been continuously employed. For example, upon re-employment, a returning service member's rate of pay should include any seniority-based pay increases that occurred during the period of military service. USERRA is enforced by the Labor Department's Veterans' Employment and Training Service (VETS).

Employee benefits are also protected when a service member is re-employed. An employee who was covered by a health plan at work is entitled to immediate reinstatement upon re-employment. Similarly, pension rights are protected upon re-employment.

Reserve, National Guard members and employers are encouraged to log on to www.dol.gov/dol/vets for a detailed explanation of rights and responsibilities. VETS state directors of veterans' employment and training (DVETs) can answer questions from employers and individual reservists and guard members.

Additional references to information for businesses that released employees for active service may be found on the following Web sites:

Department of Labor – www.dol.gov/ebsa/faqs/faq_911_2.html

IRS – www.irs.gov/newsroom/article/0,,id=97273,00.html

SSA – www.ssa.gov/pressoffice/pr/troops03-pr.htm

Plan To File W-2s with SSA Electronically

Tapes, Cartridges, and Diskettes Will Be Eliminated

If your company files W-2s with SSA on magnetic tape or cartridge, you will be required to file electronically beginning in tax year (TY) 2005 (that's W-2s due in calendar year 2006). If your company files W-2s with SSA on diskette, you will be required to file electronically starting in TY 2006 (W-2s due in calendar year 2007).

Electronic filing is now considered the industry's preferred method for filing Copy A of Forms W-2 with SSA. In fact, last year more than 109 million W-2s were filed electronically. It saves you time and money and it's a completely paperless process, so there are no Forms 6559 to file. Plus, you get an extra month to file which could reduce year-end stress (W-2s filed electronically are due the last day of March versus the last day of February for other filing methods.) Once you've uploaded your wage report, you'll receive an immediate on-screen acknowledgement of receipt which you can print and keep as proof of filing.

Today, companies who file on magnetic tape, cartridge or diskette format their reports according to SSA's Magnetic Media Reporting and Electronic Filing

Call the Expert...serving your state with questions on submitting Form W-2, Copy A, to SSA. They can also help submitters transition to electronic filing.

Calls from	Telephone	Location	e-mail Address
Alabama*	334-223-7013	Montgomery	roy.s.bradford@ssa.gov
Alaska	206-615-2125	Seattle	tim.beard@ssa.gov
American Samoa	510-970-8247	San Francisco	bill.brees@ssa.gov
Arizona	510-970-8247	San Francisco	bill.brees@ssa.gov
Arkansas†	501-324-5130	Little Rock	charles.burton@ssa.gov
California	510-970-8247	San Francisco	bill.brees@ssa.gov
Colorado	800-314-1964	Denver	bill.bates@ssa.gov
Connecticut	617-565-2895	Boston	donald.wilson@ssa.gov
Delaware	215-597-4632	Philadelphia	frank.obrien@ssa.gov
Dist. Columbia	215-597-4632	Philadelphia	frank.obrien@ssa.gov
Florida-North*	904-398-8925	Jacksonville	james.demer@ssa.gov
Florida-South*	305-672-4517	Miami Beach	peter.blalock@ssa.gov
Georgia-North*	404-562-5769	Atlanta	maria.prieto-salowitz@ssa.gov
Georgia-South*	912-264-0417 x109	Brunswick	cheryl.lott@ssa.gov
Guam	510-970-8247	San Francisco	bill.brees@ssa.gov
Hawaii	510-970-8247	San Francisco	bill.brees@ssa.gov
Idaho	206-615-2125	Seattle	tim.beard@ssa.gov
Illinois	312-575-4244	Chicago	paul.dieterle@ssa.gov
Indiana	312-575-4244	Chicago	paul.dieterle@ssa.gov
Iowa	816-936-5649	Kansas City	john.gezich@ssa.gov
Kansas	816-936-5649	Kansas City	john.gezich@ssa.gov
Kentucky*	859-294-5153 x3055	Lexington	stephen.seithers@ssa.gov
	859-219-1461 x111	Nicholasville	jason.cornett@ssa.gov
Louisiana†	504-240-7321	New Orleans	william.carroum@ssa.gov
Maine	617-565-2895	Boston	donald.wilson@ssa.gov
Maryland	215-597-4632	Philadelphia	frank.obrien@ssa.gov
Massachusetts	617-565-2895	Boston	donald.wilson@ssa.gov
Michigan	312-575-4244	Chicago	paul.dieterle@ssa.gov
Minnesota	312-575-4244	Chicago	paul.dieterle@ssa.gov
Mississippi*	601-693-4859	Meridian	sue.d.clark@ssa.gov
Missouri	816-936-5649	Kansas City	john.gezich@ssa.gov
Montana†	800-314-1964	Denver	bill.bates@ssa.gov
Nebraska	816-936-5649	Kansas City	john.gezich@ssa.gov
Nevada	510-970-8247	San Francisco	bill.brees@ssa.gov
New Hampshire	617-565-2895	Boston	donald.wilson@ssa.gov
New Jersey	212-264-1117	New York	tyrone.s.benefield@ssa.gov or angela.caputo@ssa.gov
New Mexico†	505-346-7244	Albuquerque	jacquelyn.mirabal@ssa.gov
New York	212-264-1117	New York	tyrone.s.benefield@ssa.gov or angela.caputo@ssa.gov
North Carolina*	919-790-2877 x3007	Raleigh	rosemarie.downie@ssa.gov
North Dakota†	800-314-1964	Denver	bill.bates@ssa.gov
Ohio	312-575-4244	Chicago	paul.dieterle@ssa.gov
Oklahoma†	501-324-5130	Little Rock	charles.burton@ssa.gov
Oregon	206-615-2125	Seattle	tim.beard@ssa.gov
Pennsylvania	215-597-4632	Philadelphia	frank.obrien@ssa.gov
Puerto Rico	787-766-5574	San Juan	ronald.morales@ssa.gov
Rhode Island	617-565-2895	Boston	donald.wilson@ssa.gov
South Carolina*	864-582-1091 x260	Spartanburg	glen.foster@ssa.gov
South Dakota†	800-314-1964	Denver	bill.bates@ssa.gov
Tennessee*	615-907-9501	Murfreesboro	james.whiteaker@ssa.gov
Texas-Central/South†	512-916-5391	Austin	diane.owens@ssa.gov
Texas-North Dallas†	817-978-3123	Fort Worth	bern.sullivan@ssa.gov
Texas-Southeast†	281-449-2955	Houston	debbie.forsythe@ssa.gov
Texas-West†	505-346-7244	Albuquerque	bill.bates@ssa.gov
Utah†	800-314-1964	Denver	bill.bates@ssa.gov
Vermont	617-565-2895	Boston	donald.wilson@ssa.gov
Virgin Islands	787-766-5574	San Juan	ronald.morales@ssa.gov
Virginia	215-597-4632	Philadelphia	frank.obrien@ssa.gov
Washington	206-615-2125	Seattle	tim.beard@ssa.gov
West Virginia	215-597-4632	Philadelphia	frank.obrien@ssa.gov
Wisconsin	312-575-4244	Chicago	paul.dieterle@ssa.gov
Wyoming†	800-314-1964	Denver	bill.bates@ssa.gov

* Alternate Contact – 404-562-1315 - Atlanta

† Alternate Contact – 800-314-1964 or 303-844-2364 - Denver

For instructions on completing paper W-2s/W-3s refer to IRS Publication 393, *Federal Employment Tax Forms*. Employers, payroll services, or an "agent" filing W-2s for employers may telephone the IRS Martinsburg Computing Center at 304-263-8700 or toll-free at 866-455-7438.

format (MMREF-1). Your electronic file uses the exact same MMREF, so reprogramming is not necessary. Just follow your same year-end process up to the point where you would copy the W-2 report onto a tape, cartridge or diskette and mail it to SSA. Instead, you'll log onto our Web site and upload the file. It's really that simple. You'll need to register first for a PIN and password which you may already have since the PIN is required in the MMREF RA—Submitter Record in your wage report. (See the registration box below for more information).

Why not log on today, www.ssa.gov/bso/bsowelcome.htm, and get familiar with our site? You'll see that electronic filing is so fast, easy and secure that you'll want to begin with the upcoming tax year. If you have any questions, feel free to contact the wage reporting expert serving your state. They are more than happy to assist you. See the box on the left to find the expert serving your area.

Call the Experts

Social Security personnel at these telephone numbers can help callers with all questions about how to submit W-2s to SSA. They are happy to help submitters transition from W-2 magnetic media filing to electronic filing. **SSA**

Magnetic Media Out — Electronic Filing In

Social Security plans to require magnetic tape and cartridge filers to submit W-2 reports to SSA electronically by TY 2005 (that's W-2s due to SSA in calendar year 2006). Likewise, diskette filers will be required to submit W-2 reports electronically by tax year 2006 (W-2s due to SSA in calendar year 2007).

Type of Media	Last Year Accepted by SSA	Electronic Filing of W-2s Required In:
Magnetic Tapes 3480/3480E Cartridges 3490/3490E Cartridges	TY 2004 (W-2s submitted in calendar year 2005)	TY 2005 (W-2s submitted in calendar year 2005)
Diskettes	TY 2005 (W-2s submitted in calendar year 2006)	TY 2006 (W-2s submitted in calendar year 2007)

How to Register with SSA for a PIN and Password

To register for a PIN and password (needed to file W-2s electronically with SSA) just follow these three steps.

1. Go to: www.ssa.gov/bso/bsowelcome.htm.

2. Select "Registration" and follow the prompts.

3. A Personal Identification Number (PIN) will be issued immediately (on-screen). We'll mail you a temporary password within 10 to 14 days. Change the password right away to one you personally select.

Then when the filing season opens (usually the first Monday in January) go back to the Web site, select "Submit a Wage File." Use your PIN and password to upload the file. For more information, including who should register and what information they'll need to complete the registration process, go to www.ssa.gov/employer and select "E-Filing Handbook."

NOTE: If you already have your PIN (required in the MMREF RA Submitter Record) you would have received the password in the mail about 2 weeks later. If you've registered but don't know your PIN and/or password, call 800-772-6270.

Information for Employers Paying Wages to Illegal Aliens

This article provides a summary of an employer's responsibilities for withholding and reporting of employment taxes on wages paid to illegal aliens. For purposes of this article, an illegal alien is an individual, resident in the United States, who is not a citizen or a lawful permanent resident and who has not been given authorization to work by the Bureau of Citizenship and Immigration Services (formerly, the Immigration and Naturalization Service).

Employment Eligibility Verification

The Immigration Reform and Control Act made all U.S. employers responsible to verify the employment eligibility and identity of all employees hired to work in the United States after November 6, 1986. To implement the law, employers are required to complete Employment Eligibility Verification forms (Form I-9) for all employees, including U.S. citizens. Anyone employing an illegal alien without verifying his or her work authorization status is guilty of a misdemeanor.

Employment Taxes

In general, if employers pay wages to illegal aliens, they must withhold income tax, social security, and Medicare taxes in the same manner as they would for their employees who are U.S. citizens or lawful permanent residents. Wages paid are subject to graduated income tax withholding based on information reported to the employer on Form W-4, Employee's Withholding Allowance Certificate. Employers are also required to withhold Social Security and Medicare taxes from their employees' wages and pay a matching amount of these taxes. Wages paid to illegal aliens are subject to social security and Medicare taxes even though the illegal aliens are not eligible for social security benefits. The Federal Unemployment Tax Act (FUTA) provides for payments of unemployment compensation to workers who have lost their jobs. Employers are required to pay FUTA tax; it is not deducted from the employee's wages.

Each year employers are required to file a Form W-2, Wage and Tax Statement, for each employee from whom income, Social Security or Medicare taxes was withheld. Forms W-2 are filed with the Social Security Administration (SSA) and a copy is required

to be furnished to each employee. Employers are required to report their employees' Social Security numbers on Forms W-2 to ensure that earnings are properly posted to the employees' Social Security accounts. When SSA receives Forms W-2, a match is performed against the name and Social Security number on the forms and SSA's records. If the information does not match, the earnings are held in a suspense file waiting for reconciliation.

IRS Individual Taxpayer Identification Numbers (ITINs)

An ITIN is a tax processing number for certain nonresident and resident aliens, their spouses and dependents. The ITIN is only available for individuals who cannot receive a Social Security Number (SSN) and is utilized for tax purposes **ONLY**. The Internal Revenue Service, not the Social Security Administration, assigns a tax identification number. It is issued to certain nonresident and resident aliens, their spouse, and dependents. Taxpayers need to file Form W-7, Application for IRS Individual Taxpayer Identification Number, with the IRS to obtain an ITIN. For detailed information, see www.irs.gov/pub/irs-fill/fw7.pdf.

The ITIN is only available to individuals who cannot get a Social Security Number (SSN). It is a 9-digit number, beginning with the number "9," formatted like an SSN (NNN-NN-NNN) with the fourth and fifth digits ranging from 70-80. ITINs are used exclusively for tax purposes in order to identify and process the individual tax returns.

The issuance of an ITIN **does not**:

- Entitle a recipient to Social Security benefits or the Earned Income Tax Credit (EITC).
- Create an inference regarding the individual's immigration status.
- **GIVE THE INDIVIDUAL THE RIGHT TO WORK IN THE U.S.**

Caution: *An individual with an ITIN who later becomes eligible to work in the United States must obtain an SSN. The ITIN is not valid for employment purposes.*

For more information on ITINs, visit the IRS Web site's information on "Individual Taxpayer Identification Numbers" at www.irs.gov/individuals/article/0,,id=96287,00.html or refer to IRS Publication

1915, *IRS Individual Taxpayer Identification Numbers* which is available online at www.irs.gov or call 800-829-3676.

Illegal Use of Social Security Numbers (SSNs)


Since ITINs are for tax purposes only and are by no means a legal identification number for employment, individuals are utilizing erroneous or stolen SSNs when applying for employment.

Correct names and Social Security Numbers (SSN) on W-2 wage documents are keys to successful processing of annual wage report submissions.

Verification of Social Security Numbers

The Social Security Administration (SSA) offers employers and authorized reporting agents two methods for verifying employee SSNs. Both methods match employee names and SSNs.

■ **Telephone Verification** – To verify up to five names and numbers, call 800-772-6270. To verify up to 50 names and numbers, contact your local Social Security office.

■ **Large Volume Verification** – The **Employee Verification Service (EVS)** may be used to verify more than 50 employee names and SSNs. Pre-registration is required for EVS or for requests made on magnetic media. For more information, call the EVS information line at 410-965-7140 or visit SSA's Web site for employers at www.ssa.gov/employer/SSNV.htm. 

SSA/IRS

Reporter

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Small Business/Self-Employed Communications,
S:COM C3-438
5000 Ellin Road
Lanham, MD 20706

e-mail: SSA.IRS.REPORTER@irs.gov

Fax: 202-283-0075

AccuWage for Tax Year 2003

Free software is available to test the accuracy of your 2003 Magnetic Media Reporting and Electronic Filing (MMREF) formatted reports. The AccuWage software tests the accuracy of your MMREF-1 files, checking for over 200 different errors before you send the report to SSA for processing.

It's easy to use. Just go to www.socialsecurity.gov/employer and select "Wage Reporting Software." Download and install the AccuWage software on your personal computer. Once you open the software, select the directory where your W2REPORT file is located. AccuWage will read the file and inform you of any detected errors.

New in AccuWage 2003 is the ability to continue AccuWage processing beyond the first 200 errors encountered!


AccuW2C 2003 will be available for download beginning in October 2003. AccuW2C allows you to check your MMREF-2, correction reports. 

New Size for 2004 Forms W-2 and W-3

Copy A of the 2004 Form W-2, Wage and Statement, and the 2004 Form W-3, Transmittal of Wage and Tax Statements, will be resized to conform with the substitute black and white laser versions shown in Exhibits E and F of IRS Publication 1441 (revised May 2003), *General Rules and Specifications for Substitute Forms W-2 and W-3*. This change will allow programmers to write universal code for data entry on both the official "red" Copy A and the laser-printed version. IRS expects to have draft versions of the revised forms available on the IRS Web site at www.irs.gov/taxpros/lists/0,,id=97784,00.html by November 2003.

New Version of Forms W-2c and W-3c

In December 2002, IRS revised Form W-2c, Corrected Wage and Tax Statement, and Form W-3c, Transmittal of Corrected Wage and Tax Statements. The revised Form W-2c provides boxes for correcting state and local tax information and additional federal boxes. The revised Form W-3c added a new box (box 14) "Inc. tax W/H by 3rd party sick pay payer."

Copy A of Form W-2c and Form W-3c are now printed in "red" ink to enable scanning by SSA. Use of these revised forms is mandatory for corrections filed after June 30, 2003. Substitute form guidelines are available in IRS Publication 1223 (revised May 2003), *General Rules and Specifications for Substitute Forms W-2c and W-3c*. 


Project Update –

IRS e-file for Corporate Tax Returns, Forms 1120/1120S

Modernized e-file (MeF) is on schedule to implement its first phase with the release of 53 forms and schedules for the electronic filing of Forms 1120/1120S in January 2004. The final release of the Extensible Markup Language (XML) schemas for the 53 forms are posted on the irs.gov Web site and are available for download at www.irs.gov/taxpros/providers/article/0,,id=97626,00.html. Draft schemas for the Release 2 forms and schedules are also posted on this site.


It is not too early to begin talking with your software companies to inquire about corporate e-filing. Also be sure to visit www.irs.gov at www.irs.gov/efile/article/0,,id=103789,00.html for more information or you can send an e-mail to the 1120 project office at 1120@irs.gov.

Also in development...

E-services is a new Web-based suite of products that will allow firms to do business electronically with the IRS. Current IRS e-file providers will need to register on e-services and update their Form 8633 application. Tax professionals wanting to become e-file providers will need to register and apply. For more information on e-services visit the irs.gov Web site at www.irs.gov/efile/article/0,,id=106801,00.html. 

Lower Taxes and the ADA

Did you know that there are tax advantages for businesses that comply with the Americans with Disabilities Act? Businesses with 30 or fewer employees or total revenues of \$1,000,000 or less may use a credit of up to \$5,000 a year to offset costs of altering facilities, using interpreters, or taking other steps to improve accessibility for customers or employees with disabilities. All businesses, whatever their size, can take a deduction of up to \$15,000 each year for the cost of removing barriers in facilities or vehicles.


Learn about the ADA and these tax incentives at the *ADA Business Connection* Web site at www.ada.gov/business.htm or by contacting the ADA Information Line at 800-514-0301 (voice), 800-514-0383 (TTY). 

Check Out the New Child Support Web Site for Employers!

The Federal Office of Child Support Enforcement's new Employer Services Web site is designed especially for employers. You can access the site at www.acf.hhs.gov/programs/cse/newhire/employer/home.htm.

The Web site is a handy reference on child support, including information, helpful tips, calculation examples, state-by-state practices, publications, contact information, frequently asked questions and linked resources to help you meet your responsibilities in child

support enforcement and ensure the financial security of children and families.

You'll find everything you need to know about new hire reporting, income-withholding, medical support, remitting payments, electronic payments, and termination notices. 

The New Employment Tax 940/941 e-file System

IRS's new Employment Tax e-file System offers an improved way to file for current Form 940, "Employer's Annual Federal Unemployment (FUTA) Tax Return" and Form 941, "Employer's Quarterly Federal Tax Return" filers. The new system accepts more forms and schedules, gives employers more options for electronic filing and paying, and, for the first time, tax practitioners can use the new system to file employment tax returns for their clients.

The IRS worked with business taxpayers and representatives from the tax professional community to determine customer needs in reference to electronic filing. The system is expected to reduce the paperwork burden encountered by business owners desiring to electronically file their employment tax returns.

Key benefits of the new system are:

- **Integrated Payment Options** – Eligible filers may submit a required payment along with their return, subject to limitations imposed by the Federal Tax Deposit Rules.
- **More Filing Options** – Use a payroll service, CPA, bookkeeper, or your personal or business computer.
- **Electronic Signature Process** – All returns are signed with an IRS issued Personal Identification Number (PIN).

■ The Employment Tax e-file System accepts the following forms and schedules:

- Form 941, "Employer's Quarterly Federal Tax Return"
- Form 941PR, "Planilla Para La Declaración Trimestral Del Patrono"
- Form 941SS, "Employers Federal Tax Return" (American Samoa, Guam, The Commonwealth of the Northern Mariana Island and the U.S. Virgin Islands)
- Form 941c, "Supporting Statement to Correct Information"
- Schedule B, "Employer's Record of Federal Tax Liability"
- Anexo B, "Registro Suplementario De La Obligación Contitutiva Federal Del Patrono"
- Form 940, "Employers Annual Federal Unemployment (FUTA) Tax Return"
- Form 940PR, "Planilla Para La Declaración Annual Del Patrono La Contribución Federal Para El Desempleo (FUTA)"

Talk to your tax professional today to see what services they offer. If you would like more information, log onto the IRS Web site at www.irs.gov/efile, click on "Businesses" then on "Approved IRS e-file for Business Providers." (Save this link once you get there.) New providers will be added to the list as they are approved. **IRS**

Employee Plans News

The Employee Plans office of the Tax Exempt and Government Entities Operating Division recently began publication of the newsletter: *Employee Plans News*. The newsletter is issued electronically on a quarterly basis and provides information about current developments and upcoming events within the retirement plans arena.

Regular features of *Employee Plans News* include:

- Forms and Publications updates
- Employee Benefits Conferences information
- Listings of Recent and Significant Employee Plans Guidance
- Interviews with key Employee Plans staff.

Readers will also find articles from other government agencies, late-breaking news and many more topics. The newsletter also contains plenty of Web links to provide readers with more details about information in the articles.

You'll find *Employee Plans News* by going to the Retirement Plans Web page at www.irs.gov/ep and clicking on "Employee Plans News" under the "Topics" section. In addition to the current issue, you'll find an archive of all past issues and you'll be able to subscribe to future editions. **IRS**

HELP Telephone Numbers and Web Addresses to Use When You Have Questions:

Internal Revenue Service

NEW! Business and Specialty Tax Line
800-829-4933

Electronic Federal Tax
Payment System (EFTPS) Hotline
800-555-4477 or 800-945-8400

Employee Plans Taxpayer
Assistance Telephone Service
877-829-5500 (toll free)

Employer Identification Number (EIN)
Request Number
866-816-2065 (toll free)

Form SS-4 may be faxed to
Brookhaven, NY at 631-447-8960,
Cincinnati, Ohio at 859-669-5760, or
Philadelphia, PA at 215-516-3990.

Form 941 and Form 940 Filing On-Line
Filing Program / Austin Submission Center
512-416-7750 (not toll-free)

Forms (IRS)
Forms may be ordered at 800-829-3676.

General IRS Tax Law Questions
and Account Information
800-829-1040

Information Reporting Program Customer Service Section

866-455-7438 (toll free)
304-263-8700 (non-toll free)
Monday - Friday, 8:30 a.m. to 4:30 p.m., ET.
Telecommunications Devices for the Deaf (TDD)
may be reached non-toll free at 304-267-3367.
Taxpayers can contact this unit via e-mail at
mccirp@irs.gov.

Information Reporting Program Web Page
www.irs.gov/smallbiz

IRS Tax Fax
703-368-9694 (non-toll free)
This service offers faxed topical tax information.

Keywords on IRS.gov
IRS.gov is now using keywords as another way to help makes your visit less taxing! Look for the IRS to begin publishing keywords in its public service, outreach, and other materials for taxpayers and tax professionals. For a current list and more information about IRS keywords, check out www.irs.gov/help/article/0,,id=108258,00.html.

National Taxpayer Advocate's Help Line
877-777-4778 (toll free)

Social Security Tax Questions

Social Security Tax questions should be referred to the IRS at 800-829-1040.

Taxpayer Advocacy Panel
888-912-1227 (toll-free)

Telephone Device for the Deaf (TDD)
800-829-4477

Tele-Tax System
800-829-4477

Social Security Administration

Copy A / Form W-2 Reporting

Questions about wage reporting (submitting Copy A of Form W-2 to SSA) should be referred to the SSA's Employer Reporting Service at 800-772-6270.

General SSA Benefit Questions

General Social Security benefit questions should be referred to SSA's Tele Service Center at 800-772-1213.

Follow Up—**When Someone Wants Your Social Security Number...**

A number of you had questions concerning the article, "What Should You Do When Someone Wants Your Social Security Number," printed in the Winter 2002 issue. Here are answers to those questions.

What if the employee doesn't have a Social Security number when wage reports (Forms W-2) are due to Social Security?

Paper Filers: If the employee applied for a card but didn't receive the number in time for filing, enter "Applied For" in Box d.

Magnetic Tape/Diskette or Electronic Filers: If the employee applied for a card but didn't receive the number in time for filing, enter all zeros in the field for the Social Security number.

Remember to ask the employee to tell you the number and exactly how his or her name is printed on the card.

My employee received his or her Social Security number after I filed my wage report. What do I do?

When you receive the employee's Social Security number, file Form W-2c, Corrected Wage and Tax Statement, to show the employee's number.

What happens if someone "makes up" a Social Security number?

Providing a "made up" Social Security number can violate the law under some circumstances. An individual who devises and uses such a number could be in violation of section 208 of the Social Security Act (42 U.S.C. 408), which considers certain misuses of the Social Security number to be a felony.

Does "making up" a number violate other laws?

Other federal or state laws may be affected depending on the circumstances. Many government agencies, including state or local agencies, may have their own sanctions for people who intentionally provide false information. Consult a private attorney for more specific advice.

What if a "made up" Social Security number actually belongs to someone?

If an employee gives you a "false" number that happens to match the actual Social Security number of another person, he or she has violated a federal law. This person may be subject to criminal penalties for wrongful use or misrepresentation in connection with Social Security numbers, as stated in section 208 of the Social Security Act and under Title 18 U.S.C. Therefore, a person should not intentionally scramble his or her Social Security number or provide another "created" number in a nine-digit format. The number could be a valid Social Security number belonging to someone else. The use of someone's Social Security number, aside from being illegal, could cause serious financial and legal problems for that person.

Will Social Security give out my number to another party?

Social Security will verify a person's Social Security number for a third-party requester only with the written consent of the person who is assigned the number or as authorized by the Privacy Act or another federal law. Examples of cases in which Social Security will verify a person's Social Security number without his or her written consent include giving the number to:

- Employers to assist in submitting accurate wage reports to Social Security so that workers' wages can be correctly credited to their records.
- State and other federal agencies that administer entitlement or income-maintenance programs similar to Social Security's programs.

What if I don't want to give my number?

If you do not wish to use your Social Security number as an identifier with a business, you should ask them to provide you with an alternative identifier. Social Security recommends to businesses that alternative numbers be in a format that cannot be confused with a Social Security number. If a nine-digit number is to be used, Social Security advises businesses that the number begin with alphabetic letters or "000."

Are there times when I have to give my number?

There are federal laws that require people to provide their Social Security numbers when requesting certain benefits or services. For example, section 1137 of the Social Security Act gives states the authority to require Social Security numbers from applicants for Temporary Assistance for Needy Families, Medicaid and unemployment compensation.

Can we stop businesses and schools from using Social Security numbers for identification?

No, the Privacy Act of 1974, as amended (5 U.S.C. 552a), does not provide limitations on how private industry uses the Social Security number.

Identity theft is the fastest growing crime in America today. Many businesses and schools are voluntarily changing the way they numerically identify customers and students to help prevent identity theft. This can be quite expensive and will take some time to implement on a large scale.

In the future, legislation may mandate that businesses and schools make this change. Currently, there are legislative proposals designed to place limitations on how the Social Security number can be used. One would prohibit companies from selling or displaying customers' Social Security numbers, except for a business purpose such as checking a credit report or securing a mortgage. **SSA**

EDITOR'S NOTE

Your feedback can identify the type of information you like and need in this publication. Send your comments to the editor via e-mail at SSA.IRS.REPORTER@irs.gov, by phone to 303-446-1664 or by fax to 303-446-1764.

The *SSA/IRS Reporter* is available online at www.irs.gov or www.ssa.gov/employer/pub.htm. Do a search for the *SSA/IRS Reporter*.

We are also pleased to announce the *SSA/IRS Reporter* is now being translated into Spanish for Hispanic business owners and practitioners. The edition will be mailed to Hispanic businesses owners in Puerto Rico in the Package 941PR. Additional copies may be obtained by calling the IRS Distribution Center at 800-829-3676 and asking for Publication 1693(SP), Catalogue Number 35587K or searching on the IRS and SSA Web site for the *SSA/IRS Reporter* and clicking on the Spanish edition.



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In an effort to save the cost of printing and mailing a tax package to electronic filers of Form 941 (that they may not need), we are sending this information as part of the *SSA/IRS Reporter*.

If you need forms or instructions, see the information below. For "HELP" telephone numbers and Web addresses, see page 5 of this issue of the *SSA/IRS Reporter*.

Mark W. Everson
Commissioner, Internal Revenue Service

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