



March 2004

## Social Security "No-Match" -- What Now?

The Social Security Administration ("SSA") sends "no-match" letters to employers reporting employee social security numbers that do not match the agency's records. The stated goal of these letters is not to detect unauthorized workers or fraudulent social security numbers, but rather to protect employees and avoid paperwork errors relating to the SSA and the IRS. If your company receives a "no-match" letter from the SSA:

- Do not take immediate adverse employment action against any listed employee(s).
- Review the social security numbers and names in the letter. If the names or numbers in the letter are not the same as those in your records, it could be an agency mistake. Notify the SSA and request a correction in the agency's records.
- If the name/number is the same in the letter as it appears in company records, notify the affected employees individually regarding the letter and inquire whether the company's records are correct. If not, correct the name/number on the I-9 and W-2 records and notify the SSA (form corrections must be initialed and dated by the employee and employer).
- If the employee indicates that the information in company records is correct, provide the employee a specified period to resolve the matter directly with the SSA.
- When the specified time has passed, confirm with the employee(s) that the matter has been resolved and update I-9 and W-2 forms.
- If the matter has not been resolved, apply company policy in a uniform, non-discriminatory manner to suspend or terminate the employee until the matter is resolved.
- If other issues arise, consult with counsel, as there are penalties for knowingly hiring or continuing to employ unauthorized workers.

TIP

Employers who knowingly submit or continue to use invalid social security numbers on employee W-2 forms after notification are liable for penalties of \$50 or more per incorrect form. Fines may be waived in the presence of positive mitigating factors, including actions taken in response to "no-match" letters. Therefore, it is important to establish and enforce a consistent company policy.



TIP Author — Laura Deddish Burton  
 Immigration Specialist  
 Smith Moore LLP  
 Labor and Employment Team  
 Greensboro Office

## Labor and Employment Team Members

*To send individual email: [firstname.lastname@smithmoorelaw.com](mailto:firstname.lastname@smithmoorelaw.com)*

*For additional information on this or any other labor and employment topic, please contact any*

Shannon Adcock	(336) 378.5369	John Mann	(919) 755.8712
Allen Buckley	(404) 962.1042	Travis Martin	(336) 378.5277
Laura Deddish Burton	(336) 378.5566	Alex Maultsby	(336) 378.5331
Will Burton	(336) 378.5421	Jerry Oliver	(919) 755.8710
Laurie Dearman Clark	(336) 378.5498	Patti Ramseur	(336) 378.5304
Denise Cline	(919) 755.8734	Barbara Ruby	(336) 378.5294
Martin Erwin	(336) 378.5327	Allan Shackelford	(336) 378.5346
Beth Gianopulos	(336) 378.5367	Ed Sharp	(336) 378.5259
Mike Kelly	(336) 378.5336	Julie Theall	(336) 378.5256
Caroline Lock	(336) 378.5341	Jeri Whitfield	(336) 378.5270
Kenan Loomis	(404) 962.1036		

*member of the Labor and Employment Team.*

*The firm restricts its practice in the labor and employment area exclusively to the representation of management.*



**ATLANTA**  
 One Atlantic Center  
 1201 W. Peachtree Street  
 Suite 3700  
 Atlanta GA 30309  
 404.962.1000  
 404.962.1200 {FAX}

**GREENSBORO**  
 300 N. Greene Street  
 Suite 1400  
 Greensboro NC 27401  
 336.378.5200  
 336.378.5400 {FAX}

**RALEIGH**  
 2800 Two Hannover  
 Square  
 Raleigh NC 27601  
 919.755.8700  
 919.755.8800 {FAX}

TIP is a publication of the Labor and Employment Practice Group of Smith Moore LLP  
 The information in this TIP should not be interpreted as legal advice with respect to specific situations.