

Insights, News & Events

SOCIAL SECURITY ADMINISTRATION WILL DISCONTINUE SENDING NO-MATCH LETTERS TO EMPLOYERS – FOR NOW

Insights
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In recent years, a large number of U.S. employers have received letters from the Social Security Administration advising them that one or more of their employees submitted a Form W-2 with a name that does not match their listed Social Security Number. With a new administration in power, the SSA recently announced that it will no longer issue these so-called “no-match letters” to employers. Instead, the agency said it will focus on making employer corrections easier and educating employees as to the importance of accurate Social Security records – while keeping the door open for further possible action at some point down the road. What do employers need to know about this welcome development?

Almost 1.6 Million No-Match Letters Were Sent Out in Recent Years

According to the [Chicago Sun Times](#), the SSA sent almost 1.6 million no-match letters to U.S. employers in 2019 and 2020. While the letters specifically instruct employers not to take any employment action based solely on the discrepancy between an employee’s W-2 and their Social Security Number, receiving these letters caused much consternation for both employers and employees. A [recent 21-page Q&A](#) released by the

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SSA illustrates just how confusing employers found the no-match letters to be.

Even more concerning, ICE regularly asked employers if they have received any no-match letters in recent I-9 Notices of Inspection, and required employers to turn over related documents. ICE even proposed a [regulation](#) to the effect that an employer's failure to take steps to inform employees identified by SSA in no-match letters, or to require employees to address the issue, was proof of "knowingly" employing undocumented noncitizens.

Why Do No-Matches Occur?

Social Security Number no-matches can happen for any number of legitimate reasons. Victims of identity theft regularly have new Social Security Numbers issued, as do those in the witness protection program. Misspellings of names, either by the employer or SSA, unrecorded name changes, and compound last names are all common reasons for no-matches. As the SSA itself [notes](#):

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.

According to the [Chicago Sun Times](#), despite the SSA's clear instruction not to take any employment action based on no-match letters because of the myriad legitimate reasons for no-matches, many workers lost their jobs as a direct result of the letters.

The SSA Has Ceased Sending Out No-Match Letters – For Now

In April, the SSA posted on its website an "[Educational Correspondence to Employers](#)" containing the following language:

At present, we are discontinuing [no-match] letters to focus on making it a better, easier, more

convenient experience for employers to report wages electronically. We also will continue to seek out new opportunities to educate employers.

SSA noted that the agency is “committed to maintaining the accuracy of earnings records used to determine benefit amounts to ensure customers get the benefits they have earned. If we cannot match the name and Social Security Number (SSN) reported on a wage and tax statement (Form W-2) to our records, we cannot credit the earnings to a worker’s record. When earnings are missing, the worker may not qualify for Social Security benefits or the benefit amount may be wrong.” This signals that the agency is considering other ways to address the issue of mismatches between Social Security Numbers and workers’ identities.

Takeaways

This is certainly good news for employers, who found themselves navigating between responding to SSA no-match letters and avoiding inadvertently discriminating against employees. It remains to be seen whether ICE will continue to ask employers to turn over no-match letters and related documents moving forward as part of its I-9 inspections.

We will continue to monitor this evolving story. Make sure you are signed up to receive [Fisher Phillips Insights](#) to receive the latest news direct to your inbox. If you have any questions, please consult with your Fisher Phillips attorney or any member of [our Immigration Practice Group](#). Our attorneys regularly advise clients on SSA no-match letters, provide guidance on compliance with Form I-9 rules and regulations, and represent clients targeted by ICE for I-9 inspections.