

Michigan Law Restricts Employer Use of Social Security Numbers

Insights

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A new Michigan law (MCLA § 445.83) requires employers by Jan. 1, 2006 to eliminate social security numbers on identification badges. Portions of the law took effect March 1, 2005. Other states, including Arizona, Arkansas, California, Missouri, Texas and Virginia, also have similar laws restricting the use of social security numbers.

The Michigan law prohibits public display of more than four sequential digits of an employee's social security number on any identification badge or card, membership card, or permit or license. Documents mailed or sent must not contain such numbers in a manner visible from outside the envelope or packaging.

Such numbers may not be transmitted over a computer system or network unless the connection is secure or the transmission is encrypted, and may not be required to gain access to an internet website, computer system or network unless the connection is secure, the transmission is encrypted, or a password or other unique personal identification number or other authentication device is also required to gain access.

The law also requires employers to create a policy protecting the confidentiality of such numbers. Employers found in violation of the law face penalties that could include jail time or fines. Some exceptions may apply.

Employers with operations in Michigan or other states imposing similar restrictions should immediately review procedures and restrict their use of social security numbers.

Related People





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