GAO Technical Bulletin

Arizona Department of Administration ♦ General Accounting Office

Subject:	***Social Security Administration Verification Inquiries***	Issued:	1/7/05
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TO: Technical Bulletin Administrators
Human Resources Personnel
Payroll Personnel
All Agencies

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State Comptroller

AUTHORITY

8 CFR 274a	Control of employment of aliens
A.R.S. § 41-703	Duties of the director
A.R.S. § 41-761	Personnel administration
A.R.S. § 41-763	Powers and duties of the director relating to personnel
A.R.S. § 41-783	Personnel rules

DEFINITIONS

Employing agency: The agency in control of the employee's master pay record and responsible for seeing that the employee is paid.

Central Payroll: A unit of the GAO primarily occupied with matters relating to statewide payroll.

GAO: The Arizona Department of Administration, General Accounting Office.

He/him/his: For brevity and clarity, masculine singular pronouns are used throughout. Feminine or plural pronouns may be substituted, as appropriate.

HRD: The Arizona Department of Administration, Human Resources Division.

HRIS: The Human Resources Information Solution, the State's automated human resources and payroll system.

HRM: The Human Resources Manager.

HRO: The Human Resources Office of the employing agency.

SSA: The Social Security Administration.

SSN: Social Security Number.

Subject employee: The employee about whom a verification inquiry requests additional or corrected information.

Verification inquiry: An inquiry made of an employer by the SSA concerning a given employee's data.

Verification response: A response made to a verification inquiry.

W-2: A form filed annually with various governmental entities by employers reporting upon employees' earnings, taxes and other related information.

W-4: A form filed annually by employees with their employers advising them of their tax status, withholding elections and other related information.

INTRODUCTION

For any number of reasons—transcription or typographical errors, incomplete or missing names or SSNs, unrecorded name changes, etc.—information reported on an employee's tax form, Form W-2, may not agree with SSA records. When this happens, the SSA will initiate a written or telephonic verification inquiry of the employer so that the information can be corrected. This correction is necessary if the employee's earnings are to be properly credited to his account.

All verification inquiries are addressed to the GAO. Within the GAO, Central Payroll has the responsibility and authority to ensure that verification responses are made accurately and on time. Time frames set forth in this technical bulletin are calculated to assure that the SSA's expectation of receiving a verification response within sixty (60) calendar days is met.

A verification inquiry does not imply information on file with the State of Arizona or the SSA is necessarily incorrect or that, if certain information is incorrect, such incorrect information was provided intentionally. Further, a verification inquiry makes no statement about an employee's immigration or naturalization status or an employee's employment eligibility. Taking any adverse action against an employee in response to a verification inquiry may violate State or Federal law and may have severe legal repercussions.

This technical bulletin sets forth the policies and procedures that apply when responding to verification inquiries.

POLICY

1) Verification inquiries and verification responses are to be handled in accordance with the procedures set forth below.

2) Verification inquiries and verification responses contain confidential information that must be appropriately safeguarded.

PROCEDURES

This Technical Bulletin sets forth below the procedures to be followed by the GAO, the HRO and the subject employee to bring about the timely and accurate resolution of a verification inquiry.

GAO

In general

- Keeps copies of all written verification inquiries and responses.
- Maintains a log of telephonic communications with the SSA.
- Monitors the process to assure that verification responses can be made on a timely basis.
- Prepares and forwards all verification responses to the SSA.
- Assures the accuracy of information contained in verification responses.

Within five (5) business days of receiving a verification inquiry

- In the case of a written verification inquiry, records the date and time the inquiry is received. In the case of a telephonic verification inquiry, validates the identity of the caller and records the name of the caller as well as the date, time and subject of the call in a telephone log.
- Compares the subject employee's relevant information—name, SSN, etc.—contained in the State's employment records, the information reported to the SSA on the subject employee's most recent form W-2, and the information contained in the verification inquiry.
  - If the subject employee <u>is not and has never been</u> employed by the State:
    - In the case of a written verification inquiry, prepares and forwards a verification response directly to the SSA.

- If the subject employee has been, but is no longer, employed by the State:
  - Prepares and forwards a verification response directly to the SSA.
  - Forwards a copy of the verification inquiry, if written, and the verification response to the HRO of the last employing agency or university.
- If the subject employee is currently employed by the State:
  - If a verification response can be prepared from the records available to the GAO:
    - Prepares and forwards a verification response directly to the SSA.
    - Forwards a copy of the verification inquiry, if written, and the verification response to the HRO of the employing agency or university.
  - If a verification response cannot be prepared from the records available to the GAO:
    - Telephones the HRO of the employing agency notifying HRO personnel that a verification inquiry will be forwarded.
    - Forwards the verification inquiry to the HRO of the appropriate State agency or university with a suitable cover memorandum.
    - Retains a copy of the verification inquiry in a suspense file pending the receipt of a reply from the HRO.
    - Forwards a copy of the verification inquiry to the HRD, Attn: Satellite Office/Employee Relations Manager.

Within five (5) business days of receiving a reply from the HRO

- Following the procedures outlined by section entitled "How to Correct SSNs" in the original verification inquiry, prepares a verification response and forwards it to the SSA.
- Retains a copy of the verification response and all related documentation.
- Forwards a copy of the verification response and all related documentation to the HRD, Attn: Satellite Office/Employee Relations Manager.

HRO

In general

- Keeps copies of all written verification inquiries and related GAO memoranda it receives and the responses it makes.

Within five (5) business days of receiving an original verification inquiry and cover memorandum from the GAO

- Determines the consistency and accuracy of the information in the subject employee's personnel file.
  - In the case of discrepancies,
    - Contacts the subject employee to have him make corrections, as necessary.
    - Includes the corrected name and/or SSN with the verification response.
- Verifies that the information contained in the paper-based personnel file coincides with that appearing in the HRIS, since employee-related reports such as W-2 Forms are produced using this data.
  - In case of discrepancies,
    - Makes corrections in the HRIS so that its data agrees with that provided by the employee.
    - Includes, if applicable, the corrected name and/or SSN with the verification response.
    - Notifies Central Payroll in writing to make whatever corrections to governmental and other forms and reports that may be necessary.
- If all of the agency employment records agree, asks the subject employee:
  - To verify that the data contained in his agency's employment records are correct. This should be accomplished by having the employee compare the information on his Social Security card with that contained in his personnel file. When feasible, the subject employee should visit the HRO to conduct a review of his personnel file.
    - Agency employment records that do not match the information on the subject employee's Social Security card should be corrected immediately.
      - The corrected name and/or SSN should be included with the verification response.

- Central Payroll should be notified to make whatever corrections to government and other reports that may be necessary.

- If the agency's employment records match the information on the subject employee's Social Security card:

  - In writing, directs the subject employee to contact the SSA within five (5) business days to obtain verification of his name and/or SSN.

  - In the case of a written verification inquiry, provides a copy of the verification inquiry to the subject employee.

Within five (5) business days of receiving corrected name and/or SSN from the subject employee

Returns the verification response with the corrected name and/or SSN of the subject employee to Central Payroll.

Notifies Central Payroll to make whatever correction to governmental and other report that may be necessary.

Subject Employee

In general

Cooperates in the verification of his name and/or SSN. Failure to cooperate may result in disciplinary actions up to and including termination.

Within five (5) business days of receiving written direction from his HRO to contact the SSA to obtain verification of his name and/or SSN

Contacts the SSA to obtain verification of his name and/or SSN.

Notifies his HRO as to when he contacted the SSA.

Advises his HRO of any changes to the agency's employment records that may be required.

Within ten (10) business days of receiving written direction from his HRO to contact the SSA to obtain verification of his name and/or SSN

Visits his HRO in person to complete a corrected Form W-4.

ON-LINE AVAILABILITY

Copies of all Technical Bulletins and many GAO Forms are available for viewing and downloading from the General Accounting Office Website located at:

http://www.gao.state.az.us

AREAS IMPACTED

All State agencies.

CONTACTS

If you have any questions concerning this Technical Bulletin, please contact your GAO Liaison. You may also e-mail questions or comments concerning State policy and procedure to us at:

gaopolicy@ad.state.az.us