



Why Should You Verify Names and SSNs Through PROXUS?

The penalty for incorrectly reporting Social Security numbers (SSN) on W-2s is \$50 for each incorrect Social Security number. In a large organization, incorrect reporting of SSNs could lead to substantial penalties. The correct entry of new hire SSNs is essential to protecting against incorrect numbers on W-2s, because W-2s are generated from payroll records. PROXUS introduces a new service to ensure the accuracy of SSNs for your employees before the W2 season.

- Correct names and SSNs on W-2 wage reports are key to the accurate processing of your annual wage report submission.
- Through PROXUS, it is faster and easier to use than submitting your requests using paper listings or Social Security's telephone verification option.
- PROXUS' service results in more accurate wage reports.
- PROXUS saves you processing costs and reduces the number of W-2cs.
- PROXUS ensures that Social Security properly credits your employees' earnings record, which is essential in determining future Social Security benefits.

PROXUS Clients: As year-end approaches, now is the perfect time to verify the names and SSNs of your existing employees to avoid problems with W-2s. If you haven't verified SSNs in a few years, we can make this task very easy for you. PROXUS can export a file out of our payroll system and send it electronically to the Social Security Administration for verification. They will send a file back to us with any discrepancies that we will forward to you. *Please contact John Israel at 215-654-9140, ext. 110 or Chris Cumo, at ext. 129 to order your Social Security verification.*

Federal regulations now impose stringent requirements for providing a correct Social Security number. Nowadays, employers have a tougher job keeping their businesses out of trouble. Here are some ways you can help ensure your business' compliance.

1. Ensure the authenticity of all documents. If there are any questions about the validity of a Social Security card, driver's license or any other documentation provided by a new employee, PROXUS can help you verify all information with the proper authorities.
2. When setting up a new employee in your payroll system, enter the employee's name and SSN exactly as it is shown on the Social Security card provided. For example, you may hire an employee who calls himself Bud Jones. However, if the name on his Social Security card is Robert Stephen Jones, you should enter Robert Stephen Jones in the payroll system, NOT Bud Jones. At work and during the interview, he may present himself as Bud, but his W2 that is

produced from the payroll system should reflect his legal name that matches his Social Security card. A correct match ensures that the earnings of each worker are properly recorded to their lifetime earnings record. The earnings record is the basis for determining Social Security benefit eligibility and benefit amount.

3. It is also helpful to record your employee's birth date in the payroll system. The Social Security Administration will first verify the SSN to a name. The next default for verification is the birth date.
4. Any employee without a Social Security card can get one by completing Form SS-5, Application for Social Security card. You can view instructions and download the SS-5 application at: <http://www.ssa.gov/online/ss-5fs.html>. Anyone needing to update their information due to a name change (marriage) or to correct information can use this form as well.

Please feel free to contact John Israel, Principal, at 215-654-9140 ext. 110 or Chris Cumo, Principal, at ext. 129 if you would like PROXUS to conduct a Social Security verification on your employee base or if have any further questions about Social Security verification.

#