
Q. When is an employer required to do a second annual solicitation?

A. A second annual solicitation is required if the employer receives another IRS notice of incorrect SSN for the employee in a subsequent year.

Q. Is there anything that employers should not do based on the receipt of an IRS notice?

A. Employers should not use the receipt of an IRS notice as grounds for employee termination.

Q. What can employers do to take a proactive approach?

A. Employers should establish programs and processes for securing Forms W-4 and using the information in preparing Forms W-2. Also, they should have a process in place for re-solicitation of the required information upon receipt of a penalty notice. Employers should also remind their workers to report any name changes due to marriage, divorce, etc., to both the SSA and to the employer.

Q. What records are employers required to maintain to document they made the initial and/or annual solicitations?

A. After making a solicitation, the employer should retain the response from the employee or note the response from the employee in the employer's records. The employer should note that a solicitation was made even if no response was received from the employee. Since Form W-4 may be used for the solicitation of the employee's SSN, an employer who retains Form W-4 in its records will be able to document that a solicitation of a TIN was made, documenting that it acted in a responsible manner.

Q. If an employer receives a corrected SSN from an employee, should the employer file Form W-2c, *Corrected Wage and Tax Statement*?

A. Employers file Forms W-2 with Social Security Administration (SSA). SSA matches the name and social security number (SSN) on each Form W-2 against its database of all SSNs issued. When a match is found, the earnings information from the Form W-2 is recorded in the employee's lifelong earnings history. The earnings history is the basis for determining an employee's future eligibility and benefit amount for SSA's retirement, disability, and survivors programs. Thus, if an employer receives a corrected SSN from an employee, the employer should file a Form W-2c with a separate form for each year needing correction.

VIII THE IRS MATCHING PROCESS AND NAME CONTROLS

This section provides an overview of the IRS TIN matching process and the development of name controls.

The information returns you file must include a correct name/TIN combination to allow us to match the information reported against the income included on the payee's income tax return. We check whether a

name/TIN combination is correct by matching it against a file containing all social security numbers (SSNs) issued by SSA and against a file containing all employer identification numbers (EINs) issued by IRS.

We compare the name control on the payee document (if provided) to the name control on file. If a name control is not provided or is provided incorrectly, we develop it from the name(s) provided on the first two name lines (up to 40 characters for each name line including spaces) of the information return. If we can match a developed name control to the name control in our records, we consider it to be correct. If no match is found using this process, we consider your name/TIN combination to be incorrect.

The chart on the back of Form W-9 has information for payees about “What Name and Number to give the Requester” of Form W-9.

Name Controls

A name control consists of up to four characters. To help ensure that the name/TIN combination for an account matches the name/TIN combination on SSA or IRS files, use the following information when you open an account for a payee.

Individuals

We develop a name control for an individual from the last name on the information return. For example: Ralph **Teak**— Dorothy **Willow** —Joe **McCedar**

If an individual has a hyphenated last name, we develop the name control from the first of the two last names. For example: Brandy **Cedar-Hawthorn**— Victoria **Windsor-Maple**

For joint names, regardless of whether the payees use the same or different last names, we develop the name control from the primary payee’s last name. For example: Joseph **Ash** & Linda Birch— Edward & Joan **Maple**

Reminder: *If a payee has changed his or her last name, for instance, due to marriage, please tell your payee to contact the Social Security Administration (SSA). SSA will issue a new social security card reflecting the payee’s new name and automatically send IRS the new name. To change the name shown on a social security card, the payee needs to complete SSA Form SS-5, Application for a Social Security Card. Form SS-5 is available at www.socialsecurity.gov. Form SS-5 can be obtained by calling SSA at 1-800-772-1213 or visiting a local SSA office. **Note:** Form SS-5 is filed with SSA.*

Sole Proprietors

We generally develop the name control for a sole proprietor, who may have both an SSN and an EIN, from the individual’s last name (not the business name) on the information return. For example: Mark & Jane **Hemlock**, The Sunshine Cafe, or Karen **Birch**, Ace Computer Co.

If you are a sole proprietor using a “doing business as” DBA name, use your individual SSN for the EIN of the sole proprietorship. A sole proprietor must always use his/her individual name as the legal name of the business for IRS purposes.

Estates

We develop the name control for a decedent’s estate from the decedent’s name on the first name line on the information return. The decedent’s name may be followed or preceded by the word “Estate”. (The

TIN should be the one that was assigned to the estate.) For example: Frank **White** Estate, Cynthia Greene, Exec., or Estate of Frank **White**, Gail Black, Exec.

Trusts and Fiduciaries

We generally develop the name control for a trust or fiduciary account from the name of the person in whose name the trust or fiduciary account was established. For example: Jonathan **Periwinkle**, Irrevocable Trust, or **Memory Church**, Endowment Trust.

Partnerships

We generally develop the name control for a partnership from the trade or business name of the partnership; if there isn't any, we develop the name control from the last name of the first partner on the original Form SS-4 (which was used to apply for the EIN).

For example: (The) **Oak Tree**, A.S. Greene, K.L. Black, & O.H. Brown, Ptrs.
Bob **Orange** & Carol Black, et al Ptrs. d.b.a. The Merry Go Round
E.F. **Brown**, M.S. White & T.J. Green, Ptrs., The Brown & White Company

Other Organizations

We develop the name control for other organizations from the entity's name on the original Form SS-4 (which was used to apply for the EIN). For example: **St. Bernard's** Methodist Church Building Fund for St. Bernard's Church Main Street

Note: *Extraneous words, titles, punctuation, and special characters (such as Mr., Mrs., Dr., apostrophe, etc.), may be dropped during the development of name controls. For example, we dropped the period after "St" in St. Bernard's Methodist Church.*

IX WHERE TO CALL FOR HELP

If you have any questions about Notice 972CG or the listing received, you may call:

Information Reporting Program (IRP) Centralized Call Site

Telephone . . . 1(866) 455-7438

Hours . . . 8:30 am to 4:30 pm EST Monday through Friday

Forms may be received by accessing the IRS website at www.irs.gov.

If you think you may be using an incorrect Name/TIN combination, call the IRS at 1-800-829-3676 to order Publication 1635, *Understanding Your EIN*, Form W-9, *Request for Taxpayer Identification Number and Certification*, or Publication 15 (Circular E), *Employer's Tax Guide*. You may also visit the IRS website at www.irs.gov to obtain the above referenced forms and publications and additional information.