

2018 ACA Reporting

Client/Employee Frequently Asked Questions (FAQ)

Form 1095-C Name/Social Security Number Mismatch



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The IRS built a new system named ACA Information Returns (AIR) to accept the electronic filing of Forms 1094-C and 1095-C. AIR is different from the system used to electronically file W-2 forms. A feature the IRS built into the AIR system is the ability to verify whether the name and Social Security Number on a Form 1095-C matches Social Security Administration records. If it does not, AIR returns an error message.

ADP TotalSource recommends you identify why this error message was generated. We recommend that you check your records – what did the employee list on his or her W-4; do you have a copy of the employee's Social Security Card if they supplied this document to fulfill Federal I-9 requirements? Talk to the employee – is there an explanation or oversight which may indicate why the IRS has indicated the name and/or Social Security Number do not match?

We have compiled answers to some Frequently Asked Questions. Please see below.

Q: Are there some common reasons that have been identified that trigger errors?

A: Yes, examples include typos and misspellings, using a nickname, name changes due to marriage and/or divorce that were never updated with the Social Security Administration, or identity fraud.

Q: My employee's name or SSN on their Social Security Card does not match what is in ADP TotalSource. How do I correct the information?

A: After verifying the information on the employee's Social Security Card, client practitioners can modify an Employee's Name or Social Security Number from ADP TotalSource. To modify, go to People > Personal Information > Personal Profile. Locate the correct employee using the search. To update an employee's name click the Edit icon in the Name section. To update an employee's SSN, click the Edit icon in the Tax ID Section. Enter the correct information and click Done.

Q: Why should I provide this letter to the affected employees?

A: ADP TotalSource has drafted an editable letter for you to provide your employees. You should provide this letter to the affected employees because their name and Social Security Number combination that we have on file does not match the name and Social

2018 ACA Reporting

Client/Employee Frequently Asked Questions (FAQ)

Form 1095-C Name/Social Security Number Mismatch

Security Number combination that the IRS has on file. It is possible that the employee is not being credited for years worked so long as a name and Social Security Number discrepancy exists.

Q: Am I exposing my organization to any employer liability for not making these corrections if I choose not to act on this?

A: If corrections are not made, employers may be exposed to IRS penalties up to \$260 per Form 1095-C. In addition, if the name and/or Social Security Number are not corrected, the error will continue for subsequent years.

Q: Some of my employees have used this name and social security number for years. Why is this just coming up now?

A: The IRS built a new system named ACA Information Returns (AIR) to accept the electronic filing of Forms 1094-C and 1095-C. AIR is different from the system used to electronically file W-2 forms. A feature the IRS built into the AIR system is the ability to verify whether the name and Social Security Number on a Form 1095-C matches Social Security Administration records. The IRS returned an error our recent filing of the Form 1095-C for some of your employees due to a mismatch with the employees' name and Social Security Number.

Q: Some of my employees do not have the same name on their paycheck and Social Security Card. What should they do?

A: The name that appears on an employee's Social Security Card is the name that the IRS has in its system. That is the name that should be reported to the IRS on the Form 1095-C.

If an employee needs to update his or her name on the employee's Social Security Card, the employee should go to the nearest Social Security Office.

If the employee believes his or her name on his or her Social Security Card is correct, but the employee's paycheck doesn't match the name on his or her Social Security Card, the name on the employee's paycheck can be updated by updating the employee's name in ADP TotalSource.

2018 ACA Reporting

Client/Employee Frequently Asked Questions (FAQ)

Form 1095-C Name/Social Security Number Mismatch

Q: What does an employee need to do to change or correct their name on their Social Security Card? Do I need to be involved?

A: If an employee legally changes his or her name because of marriage, divorce, court order or any other reason, the employee must visit a Social Security Card Center (go to www.ssa.gov or call 800-772-1213 to locate the nearest office) so the employee can get a corrected card. The employee cannot apply for a corrected card online. Please note that employers cannot apply on behalf of an employee.

Q: Will the Social Security Administration charge employees for applying for a corrected card?

A: There is no charge for a Social Security Card. This service is free.

Q: How long will it take to process an update to a Social Security Card?

A: According to the Social Security Administration, the process to update a Social Security Card can take 10 business days from the date an application is processed.

Q: After an employee receives his or her updated card, what do I do?

A: The employee's name on their Social Security Card needs to match the employee's name as it appears in ADP TotalSource. Clients can update an employee's name in ADP TotalSource by sending an email to TotalSourceBenefits@adp.com with the employee's ADPTotalSource name and the correct name from the employee's Social Security Card.

In the event the Social Security Number is not correct and needs to be updated, your dedicated Payroll Service Representative is available to make needed corrections. Once updated, ADP TotalSource will resubmit corrections electronically to the IRS.

Q: If an employee doesn't correct the issue, can I terminate their employment?

A: This issue should not affect an employee's current employment, but having an invalid Social Security Number may affect the employee's future employment status. It is highly recommended that you contact your HR Business Partner to discuss this situation before taking any adverse action against an employee related to this issue.

2018 ACA Reporting

Client/Employee Frequently Asked Questions (FAQ)

Form 1095-C Name/Social Security Number Mismatch

Q: Will my organization be required to re-furnish a corrected copy of the employee's Form 1095-C to them for amending individual income taxes?

A: Yes, if correcting information on a Form 1095-C that was previously filed with the IRS, you must furnish the employee a copy of the corrected Form 1095-C.

Q: My employee has requested time off to go to the Social Security Office to correct this issue, but the employee does not have any PTO and/or vacation time left. Can I dock their pay?

A: It is highly recommended that you allow the employee time off to correct this issue. Prior to docking pay, please review this scenario with your HR Business Partner to ensure compliance with all federal and/or state and local wage and hour laws.

Q: My employee has additional questions that I can't answer. Does ADP TotalSource have someone my employee can speak to?

A: Employees may contact their MyLife Advisor at 1-844-448-0325 or via email at MyLifeAdvisor@adp.com to discuss questions with a representative.

2018 ACA Reporting

Client/Employee Frequently Asked Questions (FAQ)

Form 1095-C Name/Social Security Number Mismatch

Employee Frequently Asked Questions (FAQ)

Q: Why did I receive this letter?

A: You received this letter because the name and Social Security Number combination that we have on file for you does not match the name and Social Security Number combination that the IRS has on file for you.

Q: I have used this name and Social Security Number for years. Why is this just coming up now?

A: The Affordable Care Act (ACA) requires employers to file forms (Form 1095-C) with the IRS every year that includes your name and Social Security Number. The system created to handle the ACA forms also checks your name and Social Security Number against what is in the IRS records. The IRS returned an error for your Form 1095-C because your name and Social Security Number combination did not match IRS records. Please note that while your employer has been transmitting your name and Social Security Number to the IRS for W-2 filings, the system used for W-2 is different than the system used by the IRS for the Form 1095-C.

Q: The name on my paycheck and Social Security Card is not the same. What should I do?

A: The name appearing on your Social Security Card is the name on file with the IRS, the name that should be reported to the IRS on the Form 1095-C. In order to obtain an updated Social Security card, you should go to your nearest Social Security Office.

Q: How do I change or correct my name on my Social Security Card?

A: If you legally change your name because of marriage, divorce, court order or any other reason, you must visit a Social Security Card Center (go to www.ssa.gov or call 800-772-1213 to locate the office nearest to you) so you can get a corrected card. You cannot apply for a corrected card online.

Q: Will the Social Security Administration charge me for applying for a corrected Social Security Card?

A: There is no charge for a Social Security Card. This service is free.

2018 ACA Reporting

Client/Employee Frequently Asked Questions (FAQ)

Form 1095-C Name/Social Security Number Mismatch

Q: How long will it take to process an update to my Social Security Card?

A: According to the Social Security Administration, the process to update your Social Security Card can take 10 business days from the date your application is processed.

Q: Will my employment be terminated if I don't correct the issue?

A: This issue will not affect your current employment, but having an invalid Social Security Number may affect your future employment status. Your immediate attention to this matter is critical.

For more information, please visit:

<https://faq.ssa.gov/link/portal/34011/34019/Article/3749/How-do-I-change-or-correct-my-name-on-my-Social-Security-number-card>