



Fact Sheet

SOCIAL SECURITY

Release of Tax Year 2007 DECOR Letters

Background:

The Social Security Administration (SSA), acting as an agent for Internal Revenue Service (IRS), is responsible for processing and crediting wage data reported on Forms W-2 and W-3 (Wage and Tax Statement and Transmittal of Wage and Tax Statements, respectively). Each year, SSA processes approximately 245 million Forms W-2 from employers, covering approximately 153 million workers. Self-employed individuals report self-employment income to the Internal Revenue Service (IRS). IRS then sends this information to SSA.

Accurate earnings information is vitally important to our Agency's administration of the Social Security program because a worker's earnings record is the basis for computing retirement, survivors and disability benefits. If the name and Social Security Number reported cannot be matched to an individual worker's earnings record, SSA cannot credit the wages, and the worker may not qualify for Social Security benefits or the benefit amount payable may be wrong. In an effort to ensure that workers have an opportunity to correct any discrepancies in their earnings records, SSA has issued letters since 1979 to all employees whose name and SSN could not be matched. These letters are called Decentralized Correspondence, or DECOR letters. In these letters, SSA requests that employees contact SSA to correct their records.

Release of Tax Year 2007 DECOR Letters:

- SSA will begin mailing the Tax Year 2007 DECOR letters to employees on April 3, 2008, and will continue mailing the letters on a flow basis. In total, we expect to issue approximately 8-9 million DECOR letters for Tax Year 2007.
- These letters will be sent only to employees whose Forms W-2 included a usable address. Unlike the process in prior years, DECOR letters issued this year will not be sent to employers when there is no usable address for the employee on the Form W-2.
- It is important to note that the DECOR letters sent to employees are not subject to the pending court case, which led a California court to enjoin the Department of Homeland Security (DHS) from implementing its rule entitled "Safe Harbor Procedures for Employers That Receive a No Match Letter," and SSA from sending the Employer Educational Correspondence (EDCOR) No Match letters reflecting the DHS rule. Due to the pending court case, SSA did not send the Employer No Match (EDCOR) letters for Tax Year 2006, and SSA does not plan to send the Tax Year 2007 letters before the litigation is settled.