



# State of North Carolina

## Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

November 14, 2006

MEMORANDUM NO. PYR2006-010

TO: All Agencies and Universities Served by the Office of the State Controller Central Payroll Section

FROM: Edith Cannady  
Office of the State Controller – Central Payroll Section

SUBJECT: Social Security Number Verification

The Office of the State Controller (OSC) provides all Central Payroll System agencies and universities four reports that relate to the validity of employee Social Security Administration (SSA) data. The Systemware report titles are listed below:

- Employees Fully Validated by Social Security Administration (quarterly report)
- SSA Validation – Deceased Report (quarterly report)
- SSA Validation – Error Report (quarterly report)
- Monthly SSA Verification Error Report (monthly report)

These reports are excellent tools for detecting discrepancies between the Social Security Administration's database and employee master records on the Central Payroll System. It is the responsibility of each payroll office to review any discrepancies provided on these reports and to correct errors, where possible. The appropriate use of each report follows:

### **Employees Fully Validated by Social Security Administration**

This report is located under the Systemware title OSCPX EMP FULLY VALIDATED BY SSA. It is generated after the end of each calendar quarter. This quarterly report lists employee data that is valid in the SSA database for the following:

- Social Security Number (SSN)
- Last name of employee
- First name of employee
- Date of birth (DOB)
- Sex

MAILING ADDRESS  
1410 Mail Service Center  
Raleigh, NC 27699-1410

Telephone: (919) 981-5454  
Fax Number: (919) 981-5567  
State Courier: 56-50-10  
Website: [www.ncosc.net](http://www.ncosc.net)

LOCATION  
3512 Bush Street  
Raleigh, NC

- Status of employee (lists whether the employee is deceased)

The reports created in April, July, and January validate employee data that is new or was changed in the payroll system during the previous quarter. The report generated in October compares the entire Central Payroll employee master file to the SSA database.

### **SSA Validation – Deceased Report**

This report is located under the Systemware report title OSCPX SSA DECEASED EMPLOYEE RPT. It is generated after the end of each calendar quarter and is a new report that lists the following information:

- Social Security Number (SSN)
- Last name of employee
- First name of employee
- Payment cycle of the employee's master record

The report does not include inactive employees whose payment cycle is set to '3'. Payroll Officers should research any employees that are reported as deceased and inactivate the employee master record, where appropriate. If an employee is not deceased, and the SSN information is valid (see previous report), then the employee should be instructed to contact the SSA to correct the employee's status.

The reports created in April, July, and January validate employee data that is new or was changed in the payroll system during the previous quarter. The report generated in October compares the entire Central Payroll employee master file to the SSA database. When attempting to access this report in Systemware, if the report returns the message 'NO LINES SELECTED,' then there are no errors reported for that agency or university.

### **SSA Validation – Error Report**

This error report is located under the Systemware report title OSCPX SSA VALIDATION ERROR RPT. It is generated after the end of each calendar quarter and provides information on the following:

- Social Security Number (SSN)
- Last name of employee
- First name of employee
- Date of birth (DOB)
- Sex
- Verification error (lists the specific error identified by the SSA)
- Alternative SSN (provides the SSN associated with the employee name)

The reports created in April, July, and January validate employee data that is new or was changed in the payroll system during the previous quarter. The report generated in October compares the entire Central Payroll employee master file to the SSA database. Only one error is reported each quarter, and if additional errors exist for a specific SSN, then those errors would not be reported until the original error is corrected. The error messages provided by the SSA are reported in the following order:

<b>Error Message</b>	<b>Description and Required Action</b>
SSN NEVER ISSUED TO ANYONE	The SSN reported has never been assigned to anyone. The employee should be contacted to obtain a correct SSN.
GENDER CODE ERROR	The gender code on the payroll system does not match that on the SSA database. The payroll system should be

	corrected, if wrong, or the employee should be instructed to contact the SSA for corrections to the SSA database.
DOB ERROR	The date of birth on the payroll system does not match that on the SSA database. The payroll system should be corrected, if wrong, or the employee should be instructed to contact the SSA for corrections to the SSA database.
DOB/GENDER CODE ERROR	The date of birth and gender code on the payroll system do not match those on the SSA database. The payroll system should be corrected, if wrong, or the employee should be instructed to contact the SSA for corrections to the SSA database.
NAME ERROR	The employee's name on the payroll system does not match that on the SSA database. The payroll system should be corrected, if wrong, or the employee should be instructed to contact the SSA for corrections to the SSA database.
SSN ERROR – LOCATED DIFF SSN	The SSN on the payroll system is not correct for the employee. A different SSN has been identified for the employee, which is displayed in the ALTERNATIVE SSN column of the report. The Payroll Office should research the exception and correct the error on the payroll system. If the SSN provided by the employee matches that on the payroll system, the employee must contact the SSA to have the error corrected on the SSA database.
INVALID SSN – NOT ON MASTER	The SSN is not valid. The employee must be contacted to determine the correct SSN.

***It is critical that all SSN discrepancies be resolved prior to the calendar year end.*** Failure to correct SSN errors can result in the assessment of penalties and the misapplication of Social Security contributions to an employee's account.

When attempting to access this report in Systemware, if the report returns the message 'NO LINES SELECTED,' then there are no errors reported for that agency or university.

### **Monthly SSA Verification Error Report**

This report is located under the Systemware report title OSCPX MTHLY SSA VERIFY ERROR RPT. It provides the same information found in the SSA Validation – Error Report. This report, however, is created after each monthly payroll is processed. Changes to an employee master record in the payroll system will remove an employee error listing from the report until the new quarterly verification report is generated. Removal of an error from the monthly verification report is not evidence that the erroneous record was corrected, only that a change to the record has occurred. If a bad record is not properly corrected, then the record will reappear on the next quarterly report with an error message.

When attempting to access this report in Systemware, if the report returns the message 'NO LINES SELECTED,' then there are no errors reported for that agency or university.

No changes occurring on the monthly verification report may indicate that the Payroll Office is not researching the report exceptions or pursuing needed corrections. All payroll staff members should be careful to document all efforts made to resolve errors reported on these reports. Where appropriate, employees should be directed to contact the SSA for corrections. Employees may contact the SSA at 1-800-772-1213 (or 1-800-325-0778 for TTY) or at [www.socialsecurity.gov](http://www.socialsecurity.gov).

Several agencies and universities have requested access to the SSA Business Services Online (BSO) function, which allows individuals to verify Social Security data. In order to maintain an appropriate level of security regarding unlimited access to SSNs, only Central Payroll Section staff members will be granted authorization to access the BSO. Instead, the reports listed above should be the focus for each agency and university in evaluating current year SSN exceptions.

Beginning January 1, 2007, all state agency and university personnel offices will be using a new application, called the Basic program, to verify employment eligibility of all newly hired employees, regardless of citizenship. This automated program enables verification checks of the SSA and Department of Homeland Security (DHS) databases. The system uses SSNs, alien registration numbers, and I-94 numbers (arrival/departure numbers) to perform these verification checks. Additional information on this program can be retrieved from the DHS web site at:

<https://www.vis-dhs.com/employerregistration/StartPage.aspx?JS=YES&AccessMethod=>

Until that date, the OSC will honor any request for SSN verification of employees hired from October 1 through December 31 of the current year. Verification requests and other questions should be referred to Tammy Wood at [tammy.wood@ncosc.net](mailto:tammy.wood@ncosc.net).

Sincerely,

Edith Cannady  
Central Payroll Section

C: John Morgan, Business Services  
Ben McLawhorn, Risk Mitigation Services