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GN 03320.001 Disclosure of Tax Return Information

A. Introduction

This section provides instructions on the use and disclosure of tax return information. Tax return information is defined in [GN 03320.001D.1](#) in this section.

B. Background

Section 232 of the Social Security Act provides the authority for us to enter into agreement with the Internal Revenue Service (IRS) for tax return information purposes. Under this agreement, the IRS instructs employers to file their annual wage reports with us. Employers may file the wage reports using:

- a paper Form W-2 (Wage and Tax Statement) and Form W-3 (Transmittal of Income and Tax Statements) , or
- equivalent W-2 and W-3 magnetic media reports, or
- on electronic media.

We also receive wage reports from IRS for self-employed persons. We process wage reports to update the earnings records we use to determine a person's entitlement to retirement, survivors, and disability insurance benefits.

Our maintenance, use, and disclosure of these reports are subject to the Internal Revenue Code (IRC). Special rules apply regarding the maintenance, use, and disclosure of tax return information. These rules include strict penalties for the unauthorized access to such records (e.g., SSA employees browsing through this information without an official need to know) and the inappropriate disclosure of tax return information. [IRS Publication 1075](#) explains the special rules and penalties that may apply to violations.

Our disclosure policy and operating procedures incorporate all of the IRS disclosure and confidentiality requirements for tax return information. We must adhere to these requirements when using and or disclosing tax return information.

C. Policy for use and disclosure of tax return information

1. Authority for disclosing tax return information

The IRC controls the maintenance, use, and disclosure of tax return information. We also must comply with the Privacy Act when maintaining, using, and disclosing tax return information. We may use and disclose tax return information only as authorized by the IRC, the Social Security Act, or the IRS.

Sometimes we obtain wage and employment information from a source other than the wage reporting process, i.e., other than a tax return or schedule filed with IRS or with us. For example, a person may give the field office a copy of his or her W-2 or 1040 tax return as proof of employment in a claims situation. Because the information was received directly from the person, it is not considered tax return information subject to the restrictions in the IRC (see second bullet [GN 03320.001D.2](#)).

If we receive wage or employment information directly from a person and use the information to create or amend the person's official earnings record, the newly created or amended earnings record is tax return information controlled by

the IRC. This situation could occur when we do not receive a W-2 wage report from the employer or self-employed person and we use the information provided by the wage earner to create or amend his or her earnings record. We provide the definition and examples of earnings or wage information that does not constitute tax return information in [GN 03320.001D.2](#).

2. Components authorized to release tax return information

a. Central office releases of tax return information

Central office usually discloses tax return information by electronic data exchanges with Federal and State government agencies. The IRC or the Social Security Act specifically authorizes these disclosures. For processing instructions concerning requests for tax return information, see [GN 03320.001E](#).

b. Field office (FO) releases of tax return information

FOs may disclose tax return information only in the following situations:

- In response to access requests (requests in which the subject of the tax return information is seeking his or her own information) or requests with written consent WHEN the person states that he or she has an urgent need for the information. Follow the instructions in [GN 03320.001E.1](#). There is no fee for providing an SEQY to the wage earner, his or her legal representative or survivor, or the legal representative of the wage earner's estate as these disclosures are required under section 205(c)(2)(A) of the Social Security Act and are, therefore, program related. For information about requests for detailed earnings, see [GN 03340.010B.2](#). Certain restrictions may apply to the disclosure of tax return information over the telephone. Before disclosing tax return information over the telephone see [GN 03320.005A.4](#). and [GN 03360.005A.2](#).
- To develop a claim or otherwise administer an SSA program, e.g., you may disclose information to a proper applicant if necessary to review an earnings record in connection with an application for benefits. For the definition of a "proper applicant", see [GN 00204.003](#).
- To an authorized representative, as necessary, to pursue a Social Security claim on behalf of the subject of the record (you may provide the authorized representative any information, including tax return information, about the person when pursuing a claim on his or her behalf. For additional instructions about disclosure of tax return to authorized representatives, see [GN 03316.125](#) and [GN 03910.025](#)).
- In response to a request for tax return information about a deceased person when it is determined that the requester is entitled to receive the information. For detailed instructions about disclosure of tax return information about deceased persons, see [GN 03320.020](#).

3. Decentralized correspondence (DECOR) and educational correspondence (EDCOR) no-match letters

Employers report wages to us on form W-2 (Wage and Tax Statement). We use this information to maintain individual earnings records needed to administer our programs. We also make wage data available to the IRS for tax purposes. Historically, if we could not match the name and SSN reported on form W-2 to information in our records, we sent a DECOR letter to the employee to resolve the discrepancy, or no-match. When we did not have a valid employee address, we sent a DECOR letter to the employer. In addition, we sent EDCOR letters to employers if the incidence of no-matches in the employer's wage report exceeded a certain number.

For tax years 1993 through 2005, we sent EDCOR letters to employers if their wage reports included more than a certain number of employee names and SSNs that did not match our records. We stopped sending these letters to employers as of tax year 2006 in response to litigation surrounding a proposed Department of Homeland Security (DHS) regulation that would have required employers to follow a prescribed course of action upon learning of a no-match. DHS later rescinded the proposed regulation. However, in 2011, the Commissioner decided to discontinue the EDCOR letters process permanently.

We also did not send DECOR letters to employers for tax years 2007 through 2009 because of the DHS proposed Safe Harbor regulation. However, we resumed sending the employer DECOR letters in April 2011 for tax year 2010.

Although we suspended sending DECOR letters to employers, we never stopped sending DECOR letters to employees. DECOR letters help us improve the accuracy of our earnings records. EDCOR letters, however, have not proven to be effective for this purpose.

D. Definitions

1. Tax return information

Tax return information in our possession means such information as defined in the IRC. In part, the IRC defines “return information” as “a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over-assessments, or tax payments.” (26 U.S.C. § 6103(b))

Examples of tax return information:

- Any tax return or schedule filed with the IRS or with us for the IRS;
- Form SS-4 (Application for Employer Identification Number) and any information derived from this form;
- Any information taken from such a return or schedule, whether the information is kept separate or is incorporated into a system of records;
- Any information pertaining to identifiable taxpayers that has been taken from returns and schedules, including Summary Earnings Query (SEQY), Detail Earnings Query (DEQY), and the Full Claims Earnings Record (FCER);
- Earnings information that is a part of the Informational/Certified Earnings Records System (ICERS);
- Earnings information on the Interactive Computation Facility (ICF);
- Earnings information reported directly to us by employers on Form W-2 such as employer names and addresses, employee names and Social Security numbers (SSN), the amount of wages earned and the period(s) during which such wages were earned;
- Business addresses of self-employed individuals and the identities and addresses of employers of individuals if taken from IRS records;
- Earnings data received by us from IRS prior to 1/1/1976;
- The summary earnings portion of the Social Security Statement online query output; and
- Tax returns and employer reports (schedules attached to Form 941, the Employer's Quarterly Federal Tax Return) filed with IRS. This also includes Form 942, which IRS used prior to 1978 for reporting wages of household and agricultural employees.
- DECOR letters – We prepare and send DECOR letters, commonly referred to as “no-match” letters, to employers, employees, and self-employed persons relating to Form W-2 reports and self-employment income reported on the Schedule SE in which the name and SSN combination does not match our records.
- EDCOR letters – In the past, we sent EDCOR letters to employers who had a certain number of “no matches” for names and SSNs. In April 2011, we discontinued sending EDCOR letters permanently.

a. Detailed Earnings Query (DEQY)

A DEQY is an immediate response online query that displays requested earnings information and related data such as the wage earner's name and SSN extracted from the Master Earnings File (MEF) and or the Employer Identification File (EIF). For a detailed discussion of the DEQY, see SM 00344.000.

The types of earnings information and related data displayed on a DEQY are:

- Wage earner's SSN, name, date of birth (month and year), and sex (if available) (If the input SSN for a DEQY is cross-referred to another SSN, the cross-referred SSN will appear on the DEQY, see SM 00344.008.)
- Covered wage details
- Self-employment earnings details
- Medicare for Qualified Government Employment (MQGE) and Health Insurance (HI) excess Medicare details
- Non-covered earnings details

- Pension information
- Railroad employment data
- Special wage payment data
- Employer address information
- Last employer address information

b. Summary Earnings Query (SEQY)

A SEQY is an immediate response online query that displays yearly earnings totals and the corresponding years from the wage report extracted from the MEF. The SEQY contains the wage earner's SSN, name, date of birth (month and year), and sex (if available). (If the input SSN for a SEQY cross-refers to another SSN, the cross-referenced SSN will appear on the SEQY.) For additional information about the entries on the SEQY, see SM 00345.900.

c. Earnings portion of the Social Security Statement

The portion of the statement identifying a person's earnings is tax return information.

d. Earnings record(s)

Earnings record(s) information refers generically to any of the various forms of tax return information defined in [GN 03320.001D.1](#) in this section.

2. Non-tax return information

Non-tax return information is any earnings or wage information we receive from any source other than a tax return or schedule filed with IRS, as well as information such as benefit entitlement or eligibility data, payment data, and medical records.

Examples of wage and employment data that are non-tax return information:

- Quarters of coverage (QC) and average current earnings (ACE)
(Although QC and ACE data are derived from tax return information, the IRS formally advised us that these data are not tax return information because once we use this information in our computations, the tax return information cannot be "backed out");
- Earnings or wage data provided to us by the wage earner or self-employed person from his or her own records (e.g., W-2 or photocopies of the person's tax return);
- Information furnished by an employer other than on a tax report filed with IRS (e.g., forms SSA-7010-U5 (Notice of Determination of FICA Wages) or SSA-7011-F4 (Statement of Employer)); and
- Employee State government tax returns filed with us prior to January 1, 1987 for Social Security coverage. (State government employees file these returns with IRS beginning January 1, 1987. The IRS defines them as tax return information).

E. Process for handling requests for tax return information

If the request is . . .	Then . . .
<p>1. An access request or a request with written consent for summary earnings information (e.g. SEQY or ICERS) when the person states that he or she has an urgent need for disclosure of the information . . .</p>	<p>Advise the individual that he or she may obtain the information by visiting an FO. The FO should provide the requested information via a SEQY, or any other online query to which the FO has access once the FO has explained the entries on the query in writing or in a face-to-face interview.</p> <p>Accept the person's allegation that he or she has an urgent need for the information. There is no fee for summary earnings when the information is provided to the wage earner, his or her legal representative or survivor, or the legal representative of the wage earner's estate as required under section 205(c)(2)(A) of the Social Security Act.</p> <p>See the instructions about fee charging for non-program purposes information in GN 03311.005E.</p> <p>For the restrictions that may apply to releasing tax return information over the telephone see GN 03320.005A.4. and GN 03360.005A.2.</p> <p>Advise the requester to complete and submit Form SSA-7050-F5(Request for Social Security Earnings Information) or other written request to the following address:</p> <p style="padding-left: 40px;"><i>Social Security Administration Division of Earnings Records Operations PO Box 33003 Baltimore, MD 21290-3003</i></p> <p>The SSA-7050-F5 is available from our Internet website at www.socialsecurity.gov and in RM 01498.027.</p> <p>Apply the fee schedule on the SSA-7050-F5 to requests for detailed earnings.</p>
<p>2. An access request or a request with written consent for detail earnings information . . .</p>	<p>If a person is inquiring about the online Social Security Statement, advise the following:</p> <p>“In light of the current budget situation, we have suspended the Request a Social Security Statement service. You may be able to estimate your retirement benefit using our online Retirement Estimator at www.socialsecurity.gov/estimator .”</p>
<p>3. An access request for detailed earnings is received in an FO and the person states that he or she has an urgent need for disclosure of the information and cannot wait to receive the information via form SSA-7050-F5 . . .</p>	<p>Advise the person that he or she may obtain the information by visiting an FO. The FO should provide the requested information via a DEQY, or any other online query to which the FO has access if the FO has explained the entries on the query in writing or a face-to-face or telephone interview.</p> <p>Accept the person's allegation that he or she has an urgent need for the information.</p> <p>For the restrictions that may apply to releasing tax return information over the telephone see GN 03320.005A.4. and GN 03360.005A.2.</p>
<p>4. A third-party request without consent and the disclosure is authorized in accordance with the instructions in GN 03320.015 or GN 03320.020 . . .</p>	<p>Forward the request to:</p> <p style="padding-left: 40px;"><i>Social Security Administration Division of Earnings Records Operations PO Box 33003 Baltimore, MD 21290-3003</i></p>

If the request is . . .	Then . . .
	The Division of Earnings Records Operations and other SSA components, as necessary, should consult with the Office of Privacy and Disclosure (OPD), Office of the General Counsel (OGC), concerning any questions about the appropriateness of making a requested disclosure. For requests from employers that may be received in the regions, see GN 03320.015C .
5. A third party request without consent and is not authorized in GN 03320.015 or GN 03320.025 . . .	Refer the request to OPD, OGC, for action.
6. A subpoena or court order . . .	Regional offices and FOs should follow regional procedures. Central office components should consult with OPD, OGC, for advice.

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<http://policy.ssa.gov/poms.nsf/lnx/0203320001>

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