# Report Summary

## Objective

Our objective was to assess the effectiveness of Educational Correspondence (EDCOR) in communicating wage-reporting problems to employers and reducing the size of the Earnings Suspense File (ESF).

## Background

As part of the Annual Wage Reporting process, the Social Security Administration (SSA) attempts to match the names and Social Security numbers (SSN) on *Wage and Tax Statements* (Form W-2) that are submitted by employers against SSA's Numident file—the repository for all issued SSNs. A Form W-2 that contains a name and SSN combination that matches the Numident file is posted to the Master Earnings File. However, in cases where the name and SSN combination cannot be matched to SSA's records, the wage information on the Form W-2 is posted to the ESF—the repository of unmatched items.

To view the full report, visit http://www.ssa.gov/oig/ADOBEPDF/A-03-07-17105.pdf

## Quick Response Evaluation: Effectiveness of Educational Correspondence to Employers (A-03-07-17105)

### Our Findings

SSA's EDCOR letters were not effective in communicating wage-reporting problems to employers and reducing the size of the ESF. While EDCOR letters were established to help employers resolve name/SSN no-matches, for Tax Year 2005, we found about 74 percent of employers who reported wage items with mismatched names and SSNs did not receive an EDCOR letter primarily because of the Agency's criteria for issuing the letters. In addition, employers who received EDCOR letters were not always informed about all of their no-matches because the EDCOR letters only listed up to 500 mismatched SSNs. For example, about 1,650 employers received EDCOR letters that did not include about 1.7 million of their 2.6 million no-matches. Moreover, our review found EDCOR letters provided employers with limited information needed to resolve name/SSN no-matches. The letters only included mismatched SSNs and not the reported names.

### Matters for Consideration

Given the current hiatus for sending EDCOR letters to employers, this would be the appropriate time for the Agency to determine whether the criteria for issuing EDCOR letters is effective in communicating wage reporting problems to employers. Our review questioned whether EDCOR letters were being sent to most employers who had wage items posted to the ESF. Moreover, our review showed EDCOR letters were not as successful as other SSA processes in removing suspended wage items from the ESF. The Agency may want to focus its efforts on (1) encouraging greater use of the *View Name and Social Security Number Errors* service offered under Business Services Online for employers who report wages electronically because the service appeared to be more beneficial than the EDCOR letter in informing employers about wage reporting problems and (2) exploring ways to ensure employers who do not use BSO and have a significant number of no-matches are informed about their wage reporting problems.