

# Social Security Number Privacy Act

## Introduction

In order to combat identity theft, the Michigan Legislature passed the Social Security Number Privacy Act in 2004. PA 454 of 2004 requires private and public sector employers to create a policy to keep highly sensitive social security numbers private.

## Municipalities Required to Adopt a Privacy Policy

Municipalities must adopt a policy that does at least all of the following concerning the social security numbers it possesses or obtains:

- Ensures, to the extent practicable, the confidentiality of the social security numbers;
- Prohibits unlawful disclosure of the social security numbers;
- Limits who has access to information or documents that contain the social security numbers;
- Describes how to properly dispose of documents that contain the social security numbers; and
- Establishes penalties for violation of the privacy policy.

Further, the privacy policy must be published in an employee handbook, in a procedures manual, or in one or more similar documents, which may be made available electronically. The sample policy attached addresses each of the requirements set out above.

## Penalties

Violations of the Act are subject to criminal and civil penalties. A knowing violation is a misdemeanor punishable by up to 93 days' imprisonment or a fine of not more than \$1,000, or both. If the violation is committed knowingly, an individual can recover the greater of actual damages or \$1,000, plus attorneys' fees.

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## Sample Social Security Number Privacy Policy

Effective Date:

### I. Policy

Pursuant to Michigan state law, it is the policy of \_\_\_\_\_ (the “\_\_\_\_\_”) to protect the confidentiality of social security numbers. No person shall knowingly acquire disclose, transfer, or use the social security number of any employee or other individual unless in accordance with applicable state and federal law and the procedures and rules established by this policy.

### II. Administrative Procedures/Rules

#### A. Social Security Number Defined

As used in this policy, the term “social security number” includes both the entire nine-digit number and more than 4 sequential digits of the number.

#### B. Public Display

Social security numbers shall not be placed on identification cards or badges, membership cards, permits, licenses, time cards, employee rosters, bulletin boards, or any other materials or documents that are publicly displayed. Documents, materials, or computer screens that display social security numbers or other sensitive information shall be kept out of public view at all times.

#### C. Access to Social Security Numbers

Only persons authorized by the responsible department or other administrative unit head shall have access to information or documents that contain social security numbers.

#### D. Mailed or Transmitted Documents

Documents containing social security numbers shall only be mailed or transmitted in the following circumstances:

State or federal law, rule, regulation, or court order or rule authorizes, permits, or requires that a social security number appear in the document.

The document is sent as part of an application or enrollment process initiated by the individual whose social security number is contained in the document.

The document is sent to establish, confirm the status of, service, amend, or terminate an account, contract, policy, or employee or health insurance benefit or to confirm the accuracy of a social security number of an individual who has an account, contract, policy, or employee or health insurance benefit.

The document or information is a copy of a public record filed or recorded with the county clerk or register of deeds office and is mailed by that office to a person entitled to receive that record.

The document or information is a copy of a vital record recorded as provided by law and is mailed to a person entitled to receive that record.

The document or information is mailed by or at the request of an individual whose social security number appears in the document or information or his or her parent or legal guardian.

Documents containing social security numbers that are mailed or otherwise sent to an individual shall not reveal the number through the envelope window, nor shall the number be otherwise visible from outside the envelope or package.

Social security numbers shall not be sent over the internet or a computer system or network (e.g. through e-mail) unless the connection is secure or the transmission is encrypted. No individual shall be required to use or transmit his or her social security number over the internet or a computer system, or to gain access to an internet website, computer system, or network (e.g. through e-mail) unless the connection is secure, the transmission is encrypted, or a password or other unique personal identification number or other authentication device is also required to gain access to the internet website or computer system or network.

#### E. Storage and Disposal

All documents or files that contain social security numbers shall be stored in a physically secure manner. Social security numbers shall not be stored on computers or other electronic devices that are not secured against unauthorized access.

Documents or other materials containing social security numbers shall not be thrown away in the trash; they shall be discarded or destroyed only in a manner that protects their confidentiality, such as shredding.

#### F. Information Collected

Social security numbers should only be collected where required by federal and state law or as otherwise permitted under the Michigan Social Security Number Privacy Act. If a unique identifier is needed, a substitute for the social security number shall be used.

#### G. Accountability

Any person who fails to comply with this policy shall be subject to discipline up to and including discharge.

#### H. Policy Guidance

If any questions regarding social security number privacy and security should arise, contact \_\_\_\_\_ for policy clarification and guidance.