

Iowa Imposes Penalties on Employers for Accepting False Social Security Numbers

On June 2, 2026, Iowa enacted [Senate File \(SF\) 2218](#), which, among other things, prohibits employers from employing individuals who provide false Social Security numbers (SSNs). This law takes effect on **July 1, 2026**.

Overview

Under SF 2218, employers are prohibited from hiring or continuing to employ an employee who the employer knows to have provided a SSN that does not belong to the employee on any employment documentation.

The Iowa Workforce Development (IWD) enforces the new law. Employers that violate the law are subject to a **civil penalty of \$10,000**. In addition to the civil penalty, for a fourth or subsequent violation, the employer must cease operations at the location where the violation occurred until any individual who holds a majority interest in the business and all managerial staff at that location participate in an IWD-developed training.

The law also amends the state's fraudulent practices law to prohibit employers from knowingly providing a potential employee with a fraudulent SSN for the purpose of hiring the individual.

Next Steps for Employers

The new law creates civil liability for employers that knowingly accept false SSNs from employees on employment documents, signaling increased scrutiny for employers' identity and employment authorization compliance practices. Therefore, employers should ensure that their employment eligibility verification practices and procedures align with state and federal law prior to the law's effective date. Employers should also train HR and other personnel on the new law's requirements, including how to recognize employment documentation irregularities.

Highlights

June 2, 2026

Iowa enacted SF 2218, which bans employers from employing individuals that provide false SSNs.

July 1, 2026

SF 2218 takes effect.