



EIN TAX NUMBER

WHY EVERY FREELANCER SHOULD HAVE AN EMPLOYER IDENTIFICATION NUMBER

With each new gig, it's likely that your employer will ask you to fill out a W-9 for tax purposes. This is a good sign - it means that your employer is trying to be on the right side of the tax laws - but it also means that every time you're filling out a W-9, you're giving away a lot of personal information including your Social Security number.

Your clients may be scrupulous, but that doesn't mean that everyone who comes across their desk is - and if your information gets in the wrong hands, you could become a victim of identity theft.

An easy way to protect yourself is to apply for an Employer Identification Number with the IRS. You can use their form between 7 a.m. and 10 p.m. ET Monday through Friday to apply.

HERE'S WHAT YOU NEED TO KNOW BEFORE YOU APPLY:

- You will apply as a Sole Proprietor
- If you've already incorporated your business or became an LLC, then this will not be applicable to you
- You will need to provide your name, address, social security number, and start-date as a sole proprietor

The application takes less than 10 minutes. The IRS will send you an EIN as soon as they verify your information.

Voila! Moving forward, you can enter your EIN rather than your SSN. While you must continue to remain savvy about your partnerships (business identity theft is a thing, too), an EIN can go a long way to preventing identity theft.