

**Supporting Statement for Forms SSA-L9778, SSA-L9779, SSA-L9781,
SSA-L9784 AND SSA-L9785
Annual Earnings Test Direct Mail Follow-up Program Notices
20 CFR 404.452-.455
OMB No. 0960-0369**

A. Justification

1. The authority to request earnings information from an individual who is entitled to a monthly Social Security benefit is contained in *Section 205(a)* of the *Social Security Act (the Act)* and in regulations *20 CFR, 404.452-.455* of the *Code of Federal Regulations*. *Section 203(h)(4)* of the *Act*, as amended by the Deficit Reduction Act of 1984, directs the Commissioner of Social Security to implement procedures which will avoid paying more than the correct amount of benefits to those individuals who fail to file a correct report or estimate of earnings. Those likely to receive more than the correct amount are now identified and more frequent estimates of earnings are requested from them. *Section 203* of the *Act*, as amended by the Senior Citizens Freedom to Work Act of 2000, eliminates the earnings test at full retirement age (currently age 65 and 6 months). In the year of full retirement age (FRA), notices are designed to request earnings information prior to the month of FRA.

Benefits payable under the Act may be reduced when an individual has wages or self-employment income which exceeds the annual exempt amount. *Section 203(h)* of the *Act* and regulations *20 CFR, 404.452-455* require that an individual entitled to benefits on his/her own behalf (or receiving benefits on behalf of another) provide an estimate of earnings for the current year.

2. The Annual Earnings Test Direct Mail Follow-up Program is a tool to improve beneficiary reporting on work and earnings during the year. Many overpayments can be avoided by contacting certain beneficiaries when much of the earnings year is past, but in time to improve the accuracy of their earnings estimate and to adjust current year benefits. A future year estimate when applicable is also requested to further reduce overpayments due to earnings. A definitive retirement question is asked to eliminate erroneous withholding, unnecessary development and misinterpretation of the question involving work as an employee.

Form SSA-L9778 is used when the estimate is more than the exempt amount but is equal to or less than the prior year's estimate; SSA-L9779 is used when the estimate is over the exempt amount and is equal to or less than the prior year's earnings or there is no prior year estimate; SSA-L9781 is used when the first year retirement case is paid on the basis of non-service months (when the beneficiary did not work) and December is a non-service month. SSA-L9784 is used to obtain a current earnings estimate for months prior to FRA when the estimate of record is more than the exempt amount, and the

monthly earnings test is not applicable; and SSA-L9785 is used to obtain a current earnings estimate for months prior to FRA when the estimate of record is over the exempt amount, and the monthly earnings test is applicable.

The purpose of gathering this information is to prevent earnings-related overpayments and to avoid erroneous withholding. The Social Security Administration (SSA) now contacts certain high-risk beneficiaries and requests new or current earnings reports. The letter is tailored to the beneficiary and includes relevant earnings data from SSA's records on the individual. Also, the beneficiary only receives the letter which best suits the informational need of SSA. Each completed letter is reviewed by SSA and is the basis upon which benefits will be withheld or continued. The respondents are working Retirement Survivors Insurance beneficiaries with earnings over the exempt amount.

3. Improved information technology that would reduce the burden is not available. The mid-year mailer has been excluded from being available on the internet because it contains personal and case specific data. Until more secure methods are developed to safeguard this data, SSA will not be able to make it electronic. However, as stated above, parts of the letter are pre-filled by SSA before being sent to the recipient, thus reducing the burden on the public as much as possible at this time.
4. The nature of the information being requested and the manner in which it is collected preclude duplication. Although SSA uses other forms which request earnings information, none of those forms collects data which can be used for this purpose.
5. The information collection does not involve small businesses or other small entities.
6. If the information were not collected, overpayments to beneficiaries could result. Also, since this information collection must take place based upon the need of the applicant, it cannot be collected less frequently. There are no technical or legal obstacles which prevent burden reduction.
7. There are no special circumstances that would cause this information collection to be conducted in a manner that is not consistent with 5 CFR 1320.5.
8. The first Federal Register notice was published on July 7, 2006 at 71 FR 38681, and SSA received no comments from the public. The second notice was published on October 2, 2006 at 71 FR 58041. There have been no outside consultations with members of the public.

9. SSA provides no payment or gifts to the respondents.
10. The information requested is protected and held confidential in accordance with 42 U.S.C. 1306, 20 CFR 401 and 402, 5 U.S.C. 552 (Freedom of Information Act), 5 U.S.C. 552a (Privacy Act of 1974) and OMB Circular No. A-130.
11. The information collection does not contain any questions of a sensitive nature.
12. Forms SSA-L9778, SSA-L9779, SSA-L9781, SSA-L9784 and SSA-L9785 will be used by 225,000 respondents annually. Each respondent only receives one letter, and the estimated average response time for each letter is 10 minutes, for a total of 37,500 burden hours. The total burden is reflected as burden hours, and no separate cost burden has been calculated.
13. There is no known cost burden to the respondents.
14. The annual cost to the Federal Government is approximately \$55,000. This estimate is a projection of the costs for printing and distributing the collection instrument and for collecting the information.
15. There is no change to the public reporting burden.
16. The results of the information collection will not be published.
17. OMB has granted SSA an exemption from the requirement that the expiration date for OMB approval be printed on its program forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that of an OMB approval. SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis). This exemption was granted so that otherwise useable editions of forms would not be taken out of circulation because the expiration date had been reached. In addition, Government waste has been avoided because stocks of forms will not have to be destroyed and reprinted.
18. SSA is not requesting an exception to the certification requirements at 5 CFR 1320.9 and related provisions at 5 CFR 1320.8(b)(3).

B. Collections of Information Employing Statistical Methods

Statistical methods are not used for this information collection.