

**SUPPORTING STATEMENT FOR SSA GUIDANCE FOR USE OF THE TAX
INFORMATION AUTHORIZATION FORM**

20 CFR 418.1205 AND 418.1350

OMB No. 0960-0738

A. Justification

**1. Circumstances which Make the Collection of Information Necessary and
Legal/Administrative Justification for Collecting the Information.**

Section 811 of the *Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA)* created subsection 1839(i) of the *Social Security Act*. This subsection establishes a new Medicare Part B premium subsidy reduction which will result in higher Medicare Part B premiums for Medicare Part B enrollees with income above a stated threshold. Affected beneficiaries will pay an extra premium amount in addition to the standard monthly Medicare Part B premium. The premium subsidy reduction is also known as the “income-related monthly adjustment amount (IRMAA).”

If Medicare beneficiaries who must pay the IRMAA disagree with the decision because they have experienced changes in income due to certain life-changing events (which are described in section 20 *CFR 418.1205* of the *Code of Federal Regulations*) or have a more recent, amended, or corrected tax return, they may request a new initial determination or a formal appeal, known as a “reconsideration,” from SSA. If beneficiaries are unsatisfied with SSA’s reconsideration decision, they may request an appeals hearing before an administrative law judge (ALJ) as stated in section 20 *CFR 418.1350*. To make this request, beneficiaries complete form OMB No. 0960-0269 (the Request for Hearing by ALJ). Once SSA receives this form, SSA will forward it, together with relevant beneficiary information, to the Department of Health and Human Services (HHS), who will conduct the actual hearing.

For the hearing, HHS ALJs need the relevant beneficiary tax data to determine if SSA correctly computed the beneficiary’s IRMAA. Since section 26 *USC 6103(a)* of the U.S. Code prohibits SSA from forwarding the beneficiary tax information received from IRS, SSA must obtain authorization from the beneficiary to release this data to HHS per section 26 *USC 6103(c)* of the U.S. Code. IRS has agreed that SSA will use IRS Form 8821, the Tax Information Authorization form, for this purpose.

The new Medicare Part B provisions were effective January 1, 2007. Medicare Part B beneficiaries affected by the new provision received notification of their increased premiums in November 2006. Some beneficiaries have already requested reconsiderations and appeals of those reconsiderations. We cannot forward the tax information HHS needs for the hearing without using the IRS Form 8821, so SSA is requesting continued clearance for this collection.

SSA use of IRS-8821
2/5/2021

2. How, By Whom, and For What Purpose the Information Will Be Used.

SSA has not and will not alter IRS Form 8821 for use in the Medicare Part B appeals program. We will post a copy of the form together with a one-page accompanying guide explaining where beneficiaries should send the completed form and clarifying how to complete the form. SSA will use the form to allow us to forward the beneficiary's tax data to HHS, who will then schedule an appeals hearing.

We are requesting clearance for this SSA guidance only; the IRS Form 8821 is an OMB-approved form and the public already had the opportunity to comment on when it was cleared by IRS.

3. Describe the Use of Information Technology for this Collection.

The form and its accompanying one-page guide is posted on SSA's website in PDF format which the beneficiary can print, complete, and mail manually. Since this IRS form will have a relatively low volume of usage, it will not be implemented electronically under SSA's Government Paperwork Elimination Act plan.

4. Describe Efforts to Identify Duplication.

The nature of the information being collected and the manner in which it is collected preclude duplication. SSA has no other collection instrument that collects data similar to the data collected here.

5. Impact on Small Businesses or Other Small Entities.

This collection does not impact small businesses or entities.

6. Impact of Not Conducting the Information Collection or Conducting It Less Frequently.

If this collection is not permitted to continue, SSA will be unable to release beneficiary tax data to HHS. Without that information, HHS cannot conduct Medicare Part B IRMAA appeals hearings, which violates beneficiary rights to due process. Since the information will only be collected once, it cannot be collected less frequently.

There are no technical or legal obstacles that prevent burden reduction.

7. Any Special Circumstances Surrounding this Information Collection.

There are no special circumstances that would cause this information collection to be conducted in a manner inconsistent with 5 CFR 1320.5.

8. Federal Register Notice Publication

SSA published the 60-day advance Federal Register Notice on February 1, 2007, at 72 FR 4764, and no public comments were received. The 30-day Federal Register Notice published at 72 FR 15175 on March 30, 2007. We will forward any public comments we receive in response to this Notice to OMB.

There have been no outside consultations with members of the public.

9. Payment or Gifts to the Respondents

SSA provides no payment or gifts to the respondents.

10. Assurances of Confidentiality

The information requested is protected and held confidential in accordance with 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. Justification for Sensitive Questions

The information collection does not contain any questions of a sensitive nature.

12. Estimates of Public Reporting Burden

An estimated 6,000 Medicare Part B beneficiaries will take 15 minutes to read the relevant instructions and complete this form. The total annual burden of 1,500 hours is reflected as burden hours, and no separate cost burden has been calculated.

13. Annual Cost to the Respondents

There is no known cost burden to the respondents.

14. Annual Cost to the Federal Government

The cost to the Federal Government for processing these forms has been already been reported in previous ICRs as part of the cost of processing appeals requests.

15. Change to Reporting Burden

There is no change to the public reporting burden.

16. Plans for Publication of Results of Information Collection

The results of the information collection will not be published.

17. Request not to Display the OMB Expiration Date

This is a PDF-only form that will be used for an indefinite period of time, and as such is exempt from the requirement to display the OMB expiration date.

18. Exceptions to Certification Statement

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.