

**Supporting Statement for Certificate of Coverage Request**  
**20 CFR 404.1913**  
**OMB No. 0960-0554**

**A. Justification**

1. *Section 233 of the Social Security Act (the Act)* authorizes the President to enter into bilateral Social Security agreements with other countries for the purpose of coordinating the Social Security systems of the two countries. The United States (U.S.) currently has agreements with 21 countries. *Section 233(c)(1)(B) of the Act* and *20 CFR 404.1913 of the Code of Federal Regulations* require that these agreements eliminate double coverage and taxation (a situation that occurs when a worker from one country works in the other country and would otherwise be subject to Social Security coverage and taxation by both countries for the same work). Each agreement contains rules for determining which country's laws will cover the period of work and which system will be paid taxes. Each agreement further provides that upon the request of the worker or the employer, the country under whose system the period of work is covered will issue a Certificate of Coverage (Certificate). That Certificate serves as proof of exemption from coverage and taxation under the system of the other country.
2. In order to get a Certificate from the U.S. to serve as proof of exemption from coverage and taxes in the other country, the worker or employer must write to the Social Security Administration (SSA) and provide certain information. The information that must be provided varies depending on the agreement involved and is shown on the attached list. (The worker or employer provides this information only once.) SSA uses the information to determine if the worker should be subject to U.S. Social Security coverage and taxation in accordance with the relevant provisions of the agreement. If SSA determines that the worker should be subject only to U.S. Social Security law, it uses the information to prepare a Certificate to identify the worker, the employer (if any), the period of work involved, etc. Respondents are workers and employers wishing to establish exemption from foreign social security taxes.
3. The normal procedure for requesting a Certificate is for the employer or worker to write a letter to SSA providing the required information (described in the attached booklets prepared for each agreement by SSA). For example, pages 4-10 of the attached booklet about the U.S.-Australian agreement lists the required information to request a Certificate. While most letters are sent by mail, SSA will also accept letters sent by fax. In addition, SSA uses electronic forms to collect the information via the Internet (see attached sample printout of the electronic form for requesting a Certificate under the U.S.-Australian agreement.) At this time, approximately 25 percent of the respondents elect to submit their requests through the Internet.

4. The nature of the information being collected and the manner in which it is collected preclude duplication. There is no similar or existing information that could be used or modified to permit SSA to determine if a worker should be subject to U.S. Social Security law or foreign law under an agreement and, when appropriate, issue a Certificate.
5. Small businesses or other small entities may request a Certificate if a worker needs a Certificate to prove exemption from coverage and taxation under the Social Security system of an agreement country. However, this collection does not have a significant economic impact on a substantial number of small businesses or other small entities.
6. If the information were not collected, SSA would be unable to determine whether U.S. workers abroad should be subject to U.S. Social Security law or foreign law under the applicable agreement and would be unable to issue Certificates to exempt them from foreign Social Security taxes. In addition, dual coverage and taxation for the same period of work could not be eliminated. Because this information is only collected when necessary, it cannot be collected less frequently. There are no technical or legal obstacles that prevent burden reduction.
7. There are no special circumstances that would cause this information collection to be conducted in a manner inconsistent with 5 CFR 1320.5.
8. Prior to implementing a new Social Security agreement (and on an ad hoc basis thereafter) SSA meets with representatives of agency counterparts in the other country to determine what information must be shown on a Certificate to establish an exemption from Social Security coverage and taxes. Since the Certificates issued by SSA serve to exempt workers from the other country's Social Security taxes, the information must satisfy the legal requirements and information needs of that country. SSA also has daily contact with individuals who request Certificates (e.g., workers, employers, accounting firms, etc.) to explain what information must be provided to obtain a Certificate. During these contacts, the respondents frequently provide their views on the information collection process.

The 60-day advance Federal Register Notice was published on August 6, 2007 at 72 FR 43674, and SSA has received no public comments. The second Notice was published on October 18, 2007 at 72 FR 59132. 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. Any

information collected over the Internet (see Item 3) is collected using secure data technology.

11. The information collection does not contain any questions of a sensitive nature.
12. SSA receives approximately 50,000 requests for Certificates annually. Of this total approximately 30,000 consists of Individuals, and 20,000 for Private Sector. The estimated average response time is 30 minutes. The total annual burden is 15,000 hours for Individuals and 10,000 hours for Private Sector for a total of 25,000 annual burden hours (see chart below). Although there are separate explanatory booklets and online Certificate request forms for each of the 21 agreements, the average hour burden to request a Certificate under each agreement is virtually identical.

Type of Respondent	Number of Respondents	Frequency of Response	Average Burden Per Response	Total Annual Burden
Individuals	30,000	1	30	15,000
Private Sector	20,000	1	30	10,000
<b>Totals</b>	<b>50,000</b>			<b>25,000</b>

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 \$77,000. This estimate is a projection of the costs for printing and distributing the collection information and for collecting the information. The operating cost for the online Internet application is essentially nil. This is because once the software has been developed the transaction process is fully automated. Of course, there is global cost for electricity and Internet maintenance but these are part of the Agency's customary and usual business expenses and are not specific to this application.
15. The increase in the public reporting burden is due to an increase in the total number of respondents. One new agreement with Japan went into effect during this period, effectively increasing the number of respondents by 4,000.

The other burden changes shown in ROCIS are due to the addition of one IC which was necessary in order to show the burden per type of respondent (Individuals and Businesses). Before ROCIS we did not have the ability to split the burden amongst these two types of respondents and, therefore, only reported one burden. Now that we have the ability to show the burden in this way, we have done so in ROCIS.

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 and pamphlets. SSA produces millions of public-use forms and pamphlets, 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 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.

SSA will place the expiration date on its Internet versions of the booklets upon approval of this clearance package.

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.