

Justification  
**Railroad Separation Allowance or Severance Pay Report**  
 RRB Form BA-9

1. Circumstances of information collection - Section 6 of the Railroad Retirement Act, provides for a lump-sum payment to an employee or the employee's survivors equal to the Tier 2 taxes paid by the employee on a separation allowance or severance payment for which the employee did not receive credits toward retirement. The lump sum is not payable until retirement benefits begin to accrue or the employee dies. This provision is effective retroactively for separation and severance payments made beginning January 1, 1985.

Section 4(a-1)(iii) of the Railroad Unemployment Insurance Act (RUIA) provides that a railroad employee who is paid a separation allowance is disqualified for unemployment and sickness benefits for the period of time the employee would have to work to earn the amount of the allowance.

The requirements for railroad employers to prepare and file a report of employee separation allowances and severance payments to railroad employees and survivors of railroad employees are prescribed in 20 CFR 209.14 and in 45 U.S.C. 354(a-1)(iii), 45 U.S.C. 355(b) and 45 U.S.C. 359(a).

2. Purposes of collection/consequences of not collecting the information - Form BA-9, Report of Separation Allowance or Severance Pay is the form used by the Railroad Retirement Board (RRB) to calculate the lump-sum payment provided to railroad employees or the employees' survivors. In order to provide these payments, the RRB must collect and maintain records of separation allowances and severance payments which were subject to Tier II taxation. The RRB uses Form BA-9 to obtain, on a quarterly basis, the information needed from railroad employers concerning the separation allowances and severance payments made to railroad employees and/or the survivors of railroad employees by the RRB after December 31, 1988. All reports contain a one-line entry for each such payment or adjustment.

**Currently**, employers have the option of submitting their reports on Form BA-9, or, in like format, on a magnetic tape, tape cartridge, or PC diskette. Formats for magnetic tapes, tape cartridges, or PC diskettes are prescribed in the RRB's Reporting Instructions to Employers. All separation allowances or severance payments, whether on paper, magnetic tape, tape cartridge, or PC diskette, are accompanied by \*\*Form G-440, Report Specifications Sheet. The G-440 provides information as to the type of report and specifications, if necessary, for the computer. The form also provides for the signature and identifying information of a certifying officer.

Instructions for completing Form BA-9 and the burden statement relating to the estimated completion time for the information collection are provided on the reverse side of the form.

**NOTE:** \*\* Form G-440 (or earlier versions) has been in use by the RRB for decades and has been included as an exhibit with this information collection and other BA-related information collections approved by OMB over that timeframe. Upon revision and further review, the RRB is proposing the implementation of G-440 as a public-use form. It will

serve as a certification for **all RRB BA-series Employer Reporting Forms** and is being submitted for approval simultaneously with proposed information collection 3220-0008.

**The RRB proposes the following changes to Form BA-9.**

- Expand the employee's name field/item to 20 characters for the surname and 15 characters for the first name. The middle initial follows the first name and remains at 1 character. This change is being made for consistency with other RRB reporting forms and processes. It will also improve data maintenance and exchange between the RRB, employers and other users of the information collected.
- Expand the year field from two to four positions to include the century e.g. the current year will be represented as "2007" rather than "07" This change is being made for consistency with other RRB forms and processes as well as to conform to data processing standards established in 2000.
- Expand yearly compensation items/fields from seven to eight positions to allow for reporting and maintenance of creditable compensation data amounts that exceed \$99,999

Specifically, the following items will be changed on the manual Form BA-9

- |            |                          |                                   |
|------------|--------------------------|-----------------------------------|
| • Item 1   | Year Tier II Taxed       | Expands to four-digit year; CCYY  |
| • Item 6   | Employee Name            | Expands first and last names      |
| • Item 7   | Tier II Taxed Amount     | Expands to four-digit year; CCYY  |
| • Item 9   | Date Rights Relinquished | Expands to four-digit year; CCYY  |
| • Item 10a | Tier II Credited Amount  | Expands to allow up to 999,999.99 |
| • Item 10b | Year Tier II Created     | Expands to four-digit year; CCYY  |

The RRB proposes the expansion of the corresponding data fields on electronic equivalent BA-9's which are submitted on magnetic tape cartridge, CD-ROM/diskette. The RRB has included a proposed instruction which includes the new file format and required notices for electronic equivalent BA-9's that will be available on our web-site after OMB approval is secured.

The RRB also proposes the implementation of two additional electronic equivalent options to submit BA-9 information - secure E-mail and File Transfer Protocol (FTP). A proposed Program Letter that explains the Secure E-mail and FTP process, contains the proposed file layout, and includes the required PRA-related notices has been developed and is included with the RRB's ICR.

**In addition to the required review under the Paperwork Reduction Act, all of the aforementioned changes proposed to Form BA-11 (and electronic equivalents) were reviewed by staff from the RRB's Office of General Counsel, Office of the Inspector General (OIG), and RRB computer security staff and found to be acceptable. Subsequently, the BA-11 (and electronic equivalents) were reviewed and approved for use (pending OMB approval) by the RRB's Board Members.**

To our knowledge, no other agency obtains information similar to that obtained by Form BA-

3. Planned use of improved information technology or technical/legal impediments to further burden reduction –The RRB is proposing two additional methods of electronic submission (secure E-mail and File Transfer Protocol (FTP) for Form BA-9 information.
4. Efforts to identify duplication - This information collection does not duplicate any other information collection.
5. Small business respondents - N.A.
6. Consequences of less frequent collection - Obtaining the separation allowance and severance pay information less frequently would affect payment of benefits under the Acts the RRB administers, since an up-to-date record is essential for timely and accurate benefits.
7. Special circumstances - None
8. Public comments/consultations outside the agency - In accordance with 5 CFR 1320.8(d), comments were invited from the public regarding the information collection. The notice to the public was published on page 46251-46253 of the August 17, 2007, Federal Register. No comments or requests pertinent to the information collection were received.
9. Payments or gifts to respondents - N.A.
10. Confidentiality - Privacy Act System of Records, RRB-5, Master File of Railroad Employee's Creditable Compensation and RRB-21, Railroad Unemployment and Sickness Insurance Benefit System. In accordance with OMB Circular M-03-22, a Privacy Impact Assessment for this information collection was completed and can be found at [http://www.rrb.gov/pdf/PIA/PIA\\_EE\\_BA-9\\_10-17-2007\\_public.pdf](http://www.rrb.gov/pdf/PIA/PIA_EE_BA-9_10-17-2007_public.pdf)
11. Sensitive questions - N.A.
12. Estimate of respondent burden - The current and adjusted burden for the collection follows:

**Current**

Form #	Responses	Time (Mins)	Burden (Hrs)
BA-9 (all media)	2,030	75	2,537

**Adjusted**

Form #	Responses	Time (Mins)	Burden (Hrs)
BA-9 (paper)	265	76	336
BA-9 (magnetic tape)	50	76	63
BA-9 (diskette/CD-ROM)	10	76	13

BA-9 (secure E-mail)	25	76	32
BA-9 (FTP)	10	76	13
Total	360		457

	<b>Responses</b>	<b>Burden Hours</b>
Total burden change	<u>-1,670</u>	<u>-2,080</u>

13. Estimate of annual cost to respondents or record keepers - N.A.
14. Estimated cost to Federal Government - N.A.
15. Explanation for change in burden – The RRB’s burden estimate for this collection has decreased, based largely on actual reports received over the last reporting cycle. There was some confusion internally over the years by Program staff who thought that a line of information regarding an individual on a BA-9 approximated one response, wherein actuality one BA-9 response could have information regarding a large amount of individuals. This resulted in the current estimate being significantly higher than it should have been. We have added one-minute to the completion time of BA-9 to account for the proposed changes. The 360 responses X 1 minute calculates to +6 hours.
- Overall, the estimated burden for this collection has decreased from our previous estimate of 2030 responses and 2,537 burden hours to our current estimate of 360 responses and 457 burden hours. A net change of -1,670 responses and -2,080 burden hours.
16. Time schedule for data collection and publication -The results of this collection will not be published.
17. Request not to display OMB expiration date - The BA-9 is seldom revised. Given the costs associated with redrafting, reprinting and distributing the form in order to keep the appropriate OMB expiration date in place, the RRB requests authorization to not display the expiration date on the form.
18. Exceptions to Certification Statement - None