

# Supporting Statement for Sheltered Workshop Wage Reporting

OMB # 0960-NEW

## A. Justification

1. Section 1612(1)(C) of the Social Security Act (the Act) and 42 USC 1382a define remuneration received for services performed in a sheltered workshop as earned income for the Supplemental Security Income (SSI) program. The amount of monthly wages determines an individual's SSI benefit amount.
2. Because we share a common universe of clients, SSA has maintained a working relationship with sheltered workshops since the inception of the SSI program. Most workshops report monthly wage totals to the local SSA office so that the client's SSI check is adjusted timely and overpayments are prevented. While participation of the workshop is strictly voluntary, they are highly motivated to report the wages because it provides a service to their clients. Currently, there are three possibilities for Sheltered Workshop reporting.
  - a. Not reporting at all.
  - b. Reporting monthly on paper (mail or fax)
  - c. Reporting electronically

The reports vary from workshop to workshop and run the gamut from extracts of their payroll records to manual summaries prepared by client workers on staff. While participation of the workshop is strictly voluntary, they are highly motivated to report the wages because it provides a service to their clients. There are no guidelines or handbooks. SSA does not require a specific format for the report. SSA meets with representatives from the Sheltered Workshop and explains that they should supply basic data, i.e., Name, SSN and total wages. The information can be sent in a format that is easiest for the workshop.

3. SSA offers an electronic option for reporting sheltered workshop wages through Government to Government Services Online. The registration process to use Government to Government is cleared under OMB # 0960-0757. For the workshops that do report, most now report electronically, about 60 percent. In order to maximize participation, SSA does not require reporting in a specified format. SSA accepts the report in the electronic format that is easiest for the workshop to produce. These reports are processed, posting the wages to the recipient's SSI record adjusting the income to pay the next check correctly.
4. The only alternative to this type of reporting would be to have individual clients mail their pay stubs each month. This would be labor intensive and counter productive. The resources required to timely process this volume of work manually would dictate that it not be done at all.

5. This collection does not significantly affect small businesses or other small entities. Reporting is strictly voluntary. Workshops that decide to report are allowed to report in whatever format is easiest for them.
6. Sheltered Workshop reporting reduces the number of overpayments to SSI recipients. Processing these wage reports electronically reduces the cost of administering the program. If this information collection was not conducted or was conducted less frequently, this savings would not be realized. There are no technical or legal obstacles that prevent burden reduction
7. SSI benefits are computed based on monthly income. Because of this, the workshops report monthly wages to SSA. 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.
8. The 60-day advance Federal Register Notice was published on August 20, 2007, at 72 FR 46529, and has received no public comments. The second Notice was published on November 5, 2007 at 72 FR 62510 and SSA has received no public comments. 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. Listed below is the burden hour estimate for the Sheltered Workshop wage reporting collection Activity:  

Number of Respondents: 1,000  
Frequency of Response: 12  
Average Burden Per Response: 15 minutes<sup>1</sup>  
Estimated Annual Burden: 3,000 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 estimated cost to the Federal Government to collect the information is negligible. Because the cost of maintaining the system which collects this information is

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<sup>1</sup> Since the time of publication of the Federal Register notices, we re-evaluated the burden and increased it from 5 to 15 minutes. We received no public comment to either of our notices.

accounted for within the cost of maintaining all of SSA's automated systems, it is not possible to calculate the cost associated with just one Internet application.

15. This is the initial clearance of an information collection in use without an OMB number, thereby increasing SSA's overall burden.
16. The results of the information collection will not be published.
17. SSA is not requesting an exception to the requirement to display an expiration date.
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.