

**Supporting Statement For
OMB Clearance**

Project 1099

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SUPPORTING STATEMENT:

PART A – JUSTIFICATION

Part A of the Supporting Statement for this information collection, IRS Project 1099, addresses the 18 points outlined in Part A of 5 CFR 1320.

A. JUSTIFICATION

1. Circumstances Necessitating Data Collection

In October 1984, an Agreement was signed between the Internal Revenue Service (IRS) and the Federal Office of Child Support Enforcement (OCSE). The Agreement covers the matching of names and Social Security numbers (SSN) received from OCSE with Forms 1099 on the Wage and Information Document Master File at IRS. In 1988, IRS agreed to expand the information provided through Project 1099 to include wage and employer information. Requests for 1099 information may be made only for the purpose of establishing and enforcing child support obligations pursuant to Title IV-D of the Social Security Act under 26 USC 6103(l)(6). Further, the confidentiality of information obtained through Project 1099 must be strictly maintained. Therefore, States must certify (see Exhibit A) that they have established a security system that complies with and satisfies the safeguard requirements of the Internal Revenue Code Section 6103 (p)(4). Signed certifications are required one time per year.

To request information from the IRS Wage and Information Document Master File, States must submit the SSN and name of the noncustodial parent to OCSE. Submittals will be made through a Federal Parent Locator Service (FPLS) locate request via CONNECT:Direct. Other recommended information to be submitted includes local code, case number, court/administrative order indicator, and TANF indicator.

26 USC 6103(l)(6) and 6103(p)(4)- See Appendix C

2. How, By Whom, and For What Purpose Information Is to be Used

2.1 How the information is to be used

The information is used for matching of names and SSNs received from OCSE with Forms 1099 (including wage and employer information) on the Wage and Information Document Master File at IRS. Requests for 1099 information may be made only for the purpose of establishing and enforcing child support obligations pursuant to Title IV-D of the Social Security Act. The Safeguarding Certification letter is a requirement of IRS under Internal Revenue Code section 6103(p)(4).

2.2 By whom the information is to be used

The information will be used by OCSE and State Child Support Enforcement agencies to assist in the collection of child support debts and the establishment of child support orders by providing additional locate, income, and asset information.

2.3 For what purpose the information is to be used

A voluntary program which provides States' Child Support Enforcement agencies, upon their request, access to all of the earned and unearned income information reported to IRS by employers and financial institutions. The IRS 1099 information is used to locate noncustodial parents and to verify income and employment.

3. Utilization of Information Technology

The information required for matching is submitted by State Child Support Enforcement agencies to OCSE via CONNECT:Direct, a data transfer software product which allows data centers within and across networks to send and receive large amounts of data using a mainframe-to-mainframe data exchange. The Safeguarding Certification Letter may be faxed or sent by U.S. mail to OCSE.

4. Efforts to Avoid Duplication

No similar information currently exists in another national database, except for the IRS offset database.

5. Efforts to Minimize Impact on Small Entities

The information gathering does not involve small businesses or small entities.

6. Consequences if Data Collection Is Not Conducted

Project 1099 matching is vital to the continued success of OCSE in locating noncustodial parents and enforcing child support orders against such persons. IRS cannot conduct matching without the information requested and will not allow release of 1099 information without the Safeguarding Certification Letter.

7. Special Circumstances

The burden estimate is based on an assumption that the States will submit requests for 1099 information on a monthly basis, however participation of any kind is voluntary. No other special circumstances apply.

8. Publication of Public Notice

A notice was published in the Federal Register on November 6, 2007 at Vol. 72, Page number 62655 with a 60-day comment period to give the public an opportunity to submit to us in writing any comments they have on this subject. No comments were received.

9. Provision of Payment or Gift to Respondents

Not applicable.

10. Assurances of Confidentiality

Further disclosure of, or access to, data is provided in accordance with IRS Publication 1075 and 26 U.S.C. 6103.

11. Questions of a Sensitive Nature

The collection of SSNs is required in order to accurately match individuals with Form 1099 information stored at Department of Treasury's Internal Revenue Service.

12. Estimates of Respondents' Hour Burden and Costs

12.1 Respondents' Hour Burden

The estimates of burden and costs to respondents are based on the following assumptions:

- The information is currently contained in State case files and requires no additional information gathering. The only burden is for running the match programs.
- The additional time required is time to review the IRS Publication 1075 and to sign and submit the Safeguarding Certification Letter.
- Although this is a voluntary program, OCSE assumes that every State will chose to participate.

Survey Instrument	Number of Respondents	Number of Responses Per Respondent	Average Burden Hours Per Response	Total Burden Hours
1099 Record Specifications	54	12	1.96 hours	1,270 hours
IRS Safeguarding Certification Letter	54	1	.48	26 hours

Note: All values have been rounded.

Total Burden Hours: 1,296

12.2 Respondents' Cost for Hour Burden

The annualized costs to respondents for the hour burden are based on an average wage rate of \$18 per hour for State level employees submitting data.

Reporting	Average Annualized Cost Per Respondent	Total Annualized Cost
States	\$432.00	\$23,328.00
Total		\$23,328.00

13. Estimate of Annual Cost Burden to Respondents

The system is already in place, therefore there is no capital or start-up cost burden to respondents. There are no direct monetary costs to respondents, as the system is a part of the FPLS, in which every State currently participates. The costs are for the time in which it takes the State worker to submit the information and the Safeguard Certification Letter to OCSE.

14. Estimate of Annualized Cost to the Federal Government

Annualized cost to the Federal Government is \$46,370. This estimate includes all direct salaries as well as a charge for the overhead costs incurred for the program.

15. Change in Burden

In the previous submission, only one survey instrument was listed. However, the burden estimate did factor in the respondents' time for both the IRS Safeguarding Certification Letter and the setup of the 1099 Record Specifications. For this submission we separated the survey instruments, which increases the number of responses by 54, allowing for additional time to do the Safeguarding Certification Letter. As mentioned above, the number of burden hours did not change because the hours for both survey instruments have been factored into the original total.

16. Plans for Analysis and Publication

Statistical information from Project 1099 is analyzed and published annually in the Child Support Enforcement Annual Report to Congress. The information is not planned for statistical use.

17. Display of Expiration Date

Not applicable.

18. Exception to the “Certification for Paperwork Reduction Act Submissions”

There are no exceptions to the certification statement.

SUPPORTING STATEMENT:

**PART B – COLLECTION OF INFORMATION EMPLOYING
STATISTICAL METHODS**

The information collection requirements outlined in this report do not employ the use of statistical methods.

APPENDIX A: IRS Safeguarding Certification Letter

APPENDIX B: 1099 Record Specifications

APPENDIX C: Statutory Authority