

**Supporting Statement for the SSA-131
Employer Report of Special Wage Payments
20 CFR 404.428-404.429
OMB No. 0960-0565**

A. Justification

1. Based on *Section 203(f) (5)&(6)* of the *Social Security Act* and *20 CFR 404.428-404.429* of the *Code of Federal Regulations*, certain payments that are wages for tax purposes are not counted under the Social Security Annual Earnings Test (AET). Often, these are special wage payments for amounts earned in a previous year. The special wage payments may appear on employer wage reports (W-2s) and beneficiary earnings reports to the Social Security Administration (SSA) even though they do not count when applying the AET.

Unless SSA has prior notification that these wage postings do not count in applying the AET, the entire amount on the SSA record is used to initiate earnings enforcement actions resulting in incorrect benefit adjustments. SSA developed the SSA-131 for employers to report special wage payments, which gives SSA the information needed to pay benefits correctly.

2. The purpose of gathering this information is to prevent earnings related overpayments and to avoid erroneous withholding of benefits. Form SSA-131 is used by field offices and program service centers for awards and post-entitlement events that require special wage payment verification from employers. The respondents are large and small businesses that make special wage payments to retirees.
3. Form SSA-131 is not currently scheduled for electronic implementation due to its low volume of usage. However, SSA does provide a PDF version which is downloadable from our website for public use.
4. The nature of the information being requested and the manner in which it is collected precludes duplication. There is no other collection instrument used by SSA that collects data similar to that collected here.
5. This collection does not have a significant impact on a substantial number of small businesses or other small entities, however, some small business contacts may be contacted when beneficiaries are unable to provide the special wage information needed.
6. This collection must take place based upon the need of the applicant. If this information is not collected SSA would incorrectly identify about 30,000 beneficiaries as overpaid each year. Most of these beneficiaries will continue to contact their employers, and SSA, after they have received an overpayment notice. This would continue to precipitate contact with employers to get the information after the benefits have been incorrectly adjusted and result in labor intensive, corrective action procedures within SSA. If the information were collected less frequently, it could result in incorrect payments to beneficiaries.

There are no technical or legal obstacles to burden reduction.

7. There are no special circumstances that would cause this information collection to be conducted in a manner that is not consistent with 5 CFR 1320.5.
8. The 60-day advance Federal Register Notice was published on November 5, 2007, at 72 FR 62510, and SSA received no public comments. The second Notice was published on January 17, 2008, at 73 FR 3307. There have been no outside consultations with members of the public.

An error was made in reporting the burden hours on both Federal Register Notices, and the 10 burden hours for question number 6 on Form SSA-131 was not reported. However, as reported in number 12 below, the 10 burden hours for this question will not be answered by the majority of the respondents, therefore, the burden hours reported on the Federal Register Notices was not significantly impacted by the lack of those 10 hours.

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. Approximately 30,000 respondents will use the SSA-131. Respondent types are private sector, State/ local/tribal government, and Federal government. We have no data to indicate the number of each respondent type, but believe that the majority of respondents are private sector. All responses are by paper. The estimated average response time is 20 minutes, for a total of 10,000 burden hours. Question 6 will be answered by no more than 300 of the respondents. The estimated average response time for question 6 is 2 minutes, for a total of 10 burden hours. The total burden is 10,010 hours. 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 \$46,200. This estimate is a projection of printing and distribution costs for the form and the cost of collecting the information.
15. There is no change in the public reporting burden. However, because we were not able to show the 300 respondents who fill out the entire form (including question #6) on the same IC as the 29,700 respondents who complete all the sections except for question #6, we needed to create a second IC to accommodate the difference in burden for those 300 respondents. Prior to ROCIS we did not have two ICs.
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. SSA produces millions of public-use forms, 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 of forms 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.
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.