

Supporting Statement for Form SSA-7163
Questionnaire About Employment or Self-Employment Outside the United States
20 CFR 404.401(b)(1), 404.415 and 404.417
OMB Number 0960-0050

A. Justification

1. *Sections 203(b)&(c) of the Social Security Act (the Act)*, as amended by the *Senior Citizens' Freedom to Work Act of 2000*, provide that deductions may be made from the monthly Social Security payments of employed and self-employed beneficiaries (other than disability beneficiaries), who are under full retirement age. The provisions of law governing deductions based on work activity also apply to beneficiaries outside the United States. The Commissioner of Social Security has authorized the use of Form SSA-7163 to meet the requirements of *Sections 203(b)&(c) of the Act*. The Social Security Administration (SSA) regulations at *20 CFR 404.401(b)(1), 404.415, and 404.417* of the *Code of Federal Regulations* implement these two sections of the Act.
2. SSA must determine whether the annual earnings test applies to all earnings from work covered by the Act, including earnings from covered work performed outside the United States. However, because of the differences in foreign currency values, it is administratively impractical to apply this test to earnings from non-covered work performed outside the United States and base it on United States dollars. Accordingly, the 45-hour work test provides for deductions from the benefits of employees under full retirement age who engage in non-covered remunerative activity for more than 45 hours in a calendar month. Respondents are beneficiaries living and working outside the United States.
3. SSA is unable to make this form available electronically over the Internet at this time due to the low volume of respondents for the form in relation to other forms having higher volumes of respondents (such as Medicare). The Administration must prioritize collections with respect to the standards dictated by statutory law, the volume of respondents and a consideration of limited budgetary resources. While the information collected is mandated by statutory law, the numbers of respondents are significantly lower than many other collection instruments designated for electronic implementation. In addition, at this time SSA does not have a system in place for the public to transmit personally identifiable information electronically from overseas. The Agency is working to address the issue.
4. The nature of the information being collected and the manner in which it is collected preclude duplication. There is no other collection instrument used by SSA that collects data similar to that collected here.
5. This collection does not impact small businesses or other small entities.
6. If this information were not collected, SSA would not be able to collect the necessary information regarding employment or self-employment activity from beneficiaries under full retirement age who live outside the United States. Therefore, SSA would not be able to impose appropriate work suspensions and deductions from Social Security

benefits according to the law. Because this information is only collected on an as needed basis, it cannot be conducted 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 that is not consistent with 5 CFR 1320.5.
8. The first Federal Register Notice was published on March 28, 2008 at 73 FR 16734 and SSA has received no public comments. The second Notice was published on May 28, 2008 at 73 FR 30656, and 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. Form SSA-7163 will be used by approximately 20,000 respondents annually. The estimated average time is 12 minutes for a total of 4,000 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 annual cost to the Federal Government is approximately \$30,800. This estimate is a projection of printing and distribution costs for the information collection.
15. There is no change in the public reporting burden.
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.