

**Supporting Statement for Form SSA-L4201**  
**Letter to Employer Requesting Wage Information**  
**OMB No. 0960-0138**

**A. Justification**

1. The authority to collect the information requested on Form SSA-L4201 is contained in *Sections 1611(c), 1612(a) (1), and 1631(e) (1)* of the *Social Security Act* (the *Act*). Required under statute, the Social Security Administration (SSA) must establish and verify wage data for Supplemental Security Income (SSI) applicants and recipients along with other factors for determining SSI eligibility and payment amounts.
2. SSA uses Form SSA-L4201 to collect wage data from employers to establish and/or verify wage information for SSI applicants/recipients. SSA will use this data to determine if an individual is eligible for SSI and, if so, the amount of payment due. Respondents are employers of SSI applicants/recipients.
3. SSA solicits the information from employers using the paper form, SSA-L4201. SSA enters the information into the Modernized Supplemental Security Income Claims System (MSSICS). Due to a high risk of payment error, no electronic collection technology for the SSA-L4201 is currently available. SSA will reevaluate the electronic implementation of this form, which may reduce the risk of payment error, when more advanced technology is available
4. SSA uses similar forms for Retirement, Survivors, and Disability Insurance (RSDI) purposes. However, those forms are not suitable for SSI purposes because of the difference in the "earned income" information needed by the two programs. The amount actually paid in a given month is critical to correct payment for SSI purposes, and the amount earned in a given month is significant for RSDI purposes.
5. SSA may use the SSA-L4201 to collect wage information from small businesses. Before SSA collects information using the SSA-L4201, we try to minimize the burden on the employer by first attempting to verify past wages (e.g., via employee payroll slips or wage receipts) and estimating future wages using evidence provided by the claimant/recipient. If payroll slips are unavailable, then we can accept wage verification from an SSA-approved wage verification company as primary evidence of wages. If the employer has not registered with an SSA-approved wage verification company, SSA will telephone the employer to verify wages. SSA does not have a specific data collection form for the collection of information taken by telephone. SSA claims representatives, responsible for obtaining and recording wage information, may record this information on paper form SSA-5002, MSSICS "Report of Contact," or on Form SSA-L4201.

If SSA is unable to collect wage information from the employer over the telephone, then

SSA mails the SSA-L4201 to the employer. Therefore, this collection does not have a significant impact on a substantial number of small businesses or other small entities.

6. In order for SSA to ensure correct payment and minimize overpayment to SSI claimants/recipients, SSA must verify income and information about current wages. The consequence of not collecting this information is an increased potential for incorrect SSI payment. Less frequent updating of wage information could cause an increase in inaccurate payments to recipients. There are no technical or legal obstacles that prevent burden reduction.
7. There are no special circumstances that would cause SSA to collect this information in a manner inconsistent with 5 CFR 1320.5.
8. SSA published the 60-day advance Federal Register Notice on January 15, 2009 at 74 FR 2642, and SSA has received no public comments. We published the 30-day Federal Register Notice on March 19, 2009 at 74 FR 11804. There have been no outside consultations with members of the public.
9. SSA provides no payment or gifts to the respondents.
10. SSA protects and holds confidential the information requested in this form 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-L4201 is used by approximately 133,000 respondents annually. This estimate is based upon actual past usage. The average response time is 30 minutes, for 66,500 total burden hours. The total burden represents burden hours, and SSA did not calculate a separate cost burden.
13. There is no known cost burden to the respondents.
14. The annual cost to the Federal government is approximately \$614,460. This estimate is a projection of the costs for printing and distributing the collection instrument and for collecting the information.
15. There are no changes in the public reporting burden.
16. SSA will not publish the results of the information collection.
17. OMB exempted SSA from publishing the expiration date for OMB approval on its forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that of an OMB clearance. SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis). OMB granted this so that SSA would not have to stop using otherwise useable editions of forms with outdated expiration dates. In addition, we

avoid government because we do not have to destroy and reprint stocks of forms.

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**

SSA does not use statistical methods for this information collection.