

Justification

Application for Spouse Annuity Under the Railroad Retirement Act
RRB Form AA-3, AA-3cert

1. Circumstances of information collection - Section 2(c) of the Railroad Retirement Act (RRA) provides for the payment of annuities to spouses of railroad retirement annuitants who meet the requirements under the RRA. The age requirements for a spouse annuity depend on the employee's age and date of retirement and the employee's years of railroad service. The following requirements apply if the employee's annuity began after 1974:

- If a retired employee is age 62 with 10-29 years of service, the employee's spouse is also eligible for an annuity at age 62. Early retirement reductions are applied to the spouse annuity if the spouse retires prior full retirement age.
- If a retired employee is age 60 and credited with 30 years of service, the employee's spouse is also eligible for an annuity at age 60. Early retirement annuity reductions are applied to such a spouse annuity if the employee retires before age 62, unless the employee attained age 60 and completed 30 years service prior to July 1, 1984. The reduction is substantially less if the employee met the 60/30 requirement between July 1, 1984, and December 31, 1985.

Also, if a 30-year employee retires at age 62, an age reduction is not applied to the spouse annuity even if the spouse retires at age 60 rather than age 62.

- A spouse of an employee qualified for an age and service annuity is eligible for a spouse annuity at any age if caring for the employee's child and the child is under age 16 or became disabled before age 22. However, a female spouse may continue to receive partial (Tier II only) benefits until the child attains age 18. If the spouse caring for a child is the husband of a female railroad employee, the annuity is, in effect, equal to what social security would pay in the same situation and therefore generally less than the amount of the spouse annuity otherwise payable.

The employee must have been married to the spouse for at least one year, unless the spouse is the natural parent of their child, or the spouse was receiving a railroad survivor annuity before marrying the employee.

A spouse annuity cannot be paid until the spouse stops working for her or his last railroad employer before retirement and gives up any rights to return to such employment.

A divorced wife or husband of a retired employee may also be eligible for an annuity, if their marriage lasted for at least 10 years, both have attained age 62, and the divorced spouse is not married at the time she or he applies for benefits.

- The amount of a divorced spouse's annuity is, in effect, equal to what social security would pay in the same situation and therefore less than the amount of the spouse annuity otherwise payable.

The requirements for obtaining the annuities are prescribed in 20 CFR 216, 218, 219, 234 and 295.

2. Purposes of collecting/consequences of not collecting the information - Form AA-3, Application for Spouse/Divorced Spouse Annuity is used to obtain information needed to determine an applicant's entitlement to an annuity and the amount of the annuity. Form AA-3 is completed by an applicant, or by a representative on behalf of an applicant. Items 1-6 are pre-filled by the Railroad Retirement Board (RRB).

The RRB proposes the following non-burden impacting change to Form AA-3:

- Consistent with Public Law 108-203 Section 418 (Sixty-Month Period of Employment Requirement for Application of Government Pension Application Offset), correct Item 104 to use last 60 months for FICA tax deductions rather than “last day of employment”.
- Delete Item 5b, “County,” which is no longer needed. It was used to identify the servicing field office. The RRB now uses the Zip Code to determine the field office.

Form AA-3 is designed for self-administration. The other options are in-person interview at an RRB field office, an in-person interview at an itinerant point, and a telephone interview. This filing is consistent with that of the Social Security Administration and provides the public with the best balance between need and burden.

The application package the applicant receives includes an RL-1 transmittal letter and booklets RB-3 and RB-30. The RL-1 transmittal letter tells the applicant what forms and booklets should be enclosed and what proofs are needed to support the claim. Booklet RB-3, Furnishing Evidence To Support Your Claim, explains the type of documents which can serve as evidence and gives suggestions for obtaining such documents. Booklet RB-30, Spouse/Divorced Spouse Annuity, serves as an informational booklet for the benefits being applied for. **NOTE: The Paperwork Reduction and Privacy Act notices associated with the AA-3 application process are also found in RRB booklet RB-30.**

The RRB uses the Application Express (APPLE) System to automate the spouse annuity application (AA-3) information gathering process. As part of this effort, the RRB utilizes Form AA-3cert, Application Summary and Certification.

Details regarding the automated capturing of AA-3cert information follow.

An applicant is interviewed by an RRB field-office representative who enters the information obtained on-line via the APPLE system. The APPLE system automatically prefills identifying information resident in RRB automated systems.

The information requested mirrors the information currently requested on manual RRB Form AA-3. However, depending on circumstances, the system also incorporates information currently collected on RRB Form AA-7, Spouse/Divorce Spouse Application for Medicare (OMB 3220-0082), and Form G-208, Public Service Pension Questionnaire (OMB 3220-0136).

Depending on the responses to the questions, the system automatically generates the next appropriate question, eliminating the confusion associated with skip patterns (go to items). The direct entry of the application data into the APPLE system expedites the payment process, thereby enhancing RRB customer service goals.

Upon completion of the on-line application process the APPLE system generates Form AA-3cert.

Form AA-3cert is divided into three parts:

- Part 1 summarizes information about the employee.
- Part 2 summarizes information about the applicant.
- Part 3 provides for certification and signature of the application and includes statements that the information given in relation to the application are true; that the applicant received and reviewed a summary of the information they provided; that the applicant received the correct booklets; that the applicant is obligated to advise the RRB of any errors in the summary they received; and that they know if they make a false or fraudulent statement they are committing a crime punishable under Federal Law.

A footer on each page includes the form number, the page number, and a unique identifier. The unique identifier consists of the applicant's social security number, the application type code and the time and date of generation. After the application is released, Form AA-3rec is provided to the applicant. Form AA-3rec which serves as a receipt, advises the applicant that the processing of the application has begun and provides a general description of the application process. It also provides the telephone numbers of both the field office and headquarters if there are changes that need to be reported.

The RRB proposes no changes to Form AA-3cert.

NOTE: We have included two versions of the proposed form AA-3cert. One version contains all possible questions. The second version serves as an example of a completed questionnaire which includes only the relevant responses. The annuitant and SSN used in the attachments are fictitious. Also, the Paperwork Reduction and Privacy Act notices associated with the AA-3cert application process are found in RRB booklet RB-30, Spouse/Divorced Spouse Annuity.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction – None at the present time. The RRB will submit a

request for a new/revised information collection to OMB for approval well in advance of any planned implementation of an Internet version.

4. Efforts to identify duplication - This information collection does not duplicate any other information collection.
5. Small business respondents - N.A.
6. Consequences of less frequent collection - N.A.
7. Special Circumstances - N.A.
8. Public comments/consultations outside the agency - In accordance with 5 CFR 1320.8(d), comments were invited from the public regarding this information collection. The notice to the public was published on page 65551 of the December 10, 2009, Federal Register. No comments or requests for additional information were received.
9. Payments or gifts to respondents - None
10. Confidentiality - Privacy Act System of Records RRB-22, Railroad Retirement Survivor and Pensioner Benefit System.
11. Sensitive questions - N.A.
12. Estimate of respondent burden - The current and proposed estimated annual burden for the collection is as follows:

Current Burden

| Form # | Annual Responses | Time (Min) | Burden (Hrs) |
|---------------------------------|------------------|------------|--------------|
| Form AA-3cert (with assistance) | 8,400 | 30 | 4,200 |
| Form AA-3 (without assistance) | 100 | 58 | 97 |
| Total | 8,500 | | 4,297 |

Proposed Burden

| Form # | Annual Responses | Time (Min) | Burden (Hrs) |
|---------------------------------|------------------|------------|--------------|
| Form AA-3cert (with assistance) | 10,800 | 30 | 5,400 |
| Form AA-3 (without assistance) | 250 | 58 | 242 |
| Total | 11,050 | | 5,642 |

| | <u>Responses</u> | <u>Hours</u> |
|---------------------|------------------|--------------|
| Total burden change | +2,550 | +1,345 |
| Adjustment | +2,550 | +1,345 |

13. Estimated annual cost to respondents or record keepers - N.A.
14. Estimate of cost to Federal government - N.A.
15. Explanation for change in burden – The RRB estimates an increase of 2,550 responses and 1,345 burden hours for the information collection. The increase stems largely from enhanced reporting capabilities of the APPLE system from which the AA-3cert is generated which provides very exact totals of the amount of annual responses filed. We have calculated the increase in burden as an adjustment.
16. Time schedule for data collection and publication -The results of this collection will not be published.
17. Request not to display OMB expiration date - The AA-3 is seldom revised. Given the costs associated with redrafting, reprinting, and distributing the form in order to keep the appropriate OMB expiration date in place, the RRB requests the authority to not display the expiration date on the form.
18. Exceptions to Certification Statement - None