

SUPPORTING STATEMENT
LS-208 -- Notice of Final Payment or
Suspension of Compensation Benefits
OMB No. 1215-0024

1. The Office of Workers' Compensation Programs administers the Longshore and Harbor Workers' Compensation Act (LHWCA). The Act provides benefits to workers injured in maritime employment on the navigable waters of the United States or in an adjoining area customarily used by an employee in loading, unloading, repairing, or building a vessel. In addition, several acts extend Longshore Act coverage to certain other employees.

Under Section 14(g) of the Longshore Act, the employer or its insurance carrier must file a report of the compensation paid to a claimant at the time final payment is made. The Act requires that the form must be filed within sixteen days of the final payment of compensation with the District Director in the compensation district in which the injury occurred. The form requests information regarding the beginning and ending dates of compensation payments, compensation rates, reason payments were terminated and types and amount of compensation payments. Filing of the report is mandatory as failure to do so is subject to a civil penalty.

http://www.dol.gov/dol/allcfr/Title_20/Part_702/20CFR702.236.htm.

2. The form is used to notify OWCP District Offices that payment of compensation benefits has been stopped or suspended in a case. The report is required by law. If the report were not filed, our offices would have no way to determine whether payments have been suspended in a case and therefore would not be able to effectively manage the case file and verify that the injured worker had received all benefits that he/she is entitled to receive under the Act.

3. As mandated by the Government Paperwork Elimination Act (GPEA), the form is electronically interactive and available for completion and submission via the internet. At the present time less than 1 percent of the forms are submitted electronically. Electronically submitted forms require an electronic signature. Because of the recent knowledge of security breaches by various credit card clearing houses, the personal information required on the application to obtain electronic signature authority is having a negative impact on the number of applications being submitted.

However, in an effort to increase the percentage of electronic submissions we have posted information on our website and our district offices are also actively promoting electronic submissions. We are unaware of any further technology that could reduce the burden. The website address for the form is:
<http://www.dol.gov/esa/owcp/dlhwc/ls-208.pdf>

4. This information collection does not duplicate existing requirements. No similar information is available from any other source, which information is only available from the insurance carrier or self insured employer since there are no other forms or reports that collect this information and the information must be filed on a case-by-case basis soon after compensation payments are terminated in a case.

5. The information is collected only from large insurance carriers and large employers who have been authorized to self-insure their liability under the Act. The information is not collected from small businesses or other small entities. As such, this information collection does not have a significant economic impact on a substantial number of small entities.

6. The information is only collected on occasion -- when required by law at the time of final payment on a compensation case. It cannot be collected less frequently.

7. There are no special circumstances for the collection of this information. The Act requires that the employer make payment of compensation within 10 days of notice and that the employer file the form LS-208 within 16 days of the final payment to notify the District Offices that payment has been stopped. The Form LS-208 is used by the District Offices to ensure that compensation has been paid at the correct rate and for the correct dates. See Section 914(g).

<http://www.dol.gov/esa/owcp/dlhwc/lhwca.htm#914>

8. No outside consultations have been conducted concerning the use of this form. This form is a simple and basic claim form, which requires the reporting of final payments in a compensation case. This form is used routinely by all insurance carriers and self-insured employers that have been authorized by the

Department of Labor to write Longshore Act coverage or to self-insure who make compensation payments under the Act. These insurance carriers and self-insurers are in almost daily contact with our District Directors who manage our district offices and with whom the form is filed. This relationship allows for what amounts to constant self outside evaluation by the affected industry.

A Federal Register notification inviting public comment was published on August 6, 2008 (73 FR 45790). No comments were received.

9. No payments or gifts are provided to respondents.

10. Records pertaining to compensation cases are covered under DOL Privacy Act Notice DOL/ESA-15.

11. There are no questions of a sensitive nature.

12. It is estimated from records maintained in the National Office that approximately 15,000 LS-208 forms will be filed each year. There are approximately 500 authorized carriers and self-insurers under the Act. We estimate approximately 30 LS-208 forms will be filed for each. (500 carriers and self-insurers x 30 LS-208 forms for each company = 15,000 estimated total LS-208 forms filed). An average is used from the Longshore Case Management System, as the number of forms filed each year will vary depending on the number of lost-time injuries that are reported. A lost-time injury is an injury that results in loss of time from work beyond the shift or day of injury. However, the form LS-208 will only be filed in those cases in which disability exceeds 3 days, which requires the payment of compensation benefits. A Form LS-208 will therefore not be filed in every lost-time case; and in certain cases involving intermittent periods of disability, several forms may be filed for one case by an insurance carrier or self-insured employer. Depending on the severity of the injury and the length and types of disability, all or only a part of the form will be completed to reflect the amount of compensation paid in a case. Our best estimate of the time needed to complete the form is 1/4 hour. This estimate represents an average time since the form can be completed in less time in cases involving minor injuries and will take longer in cases involving serious injuries. This estimate is also based

on the actual time taken by agency personnel to complete the form. It also includes the time needed to review and transfer the information from existing records maintained by the industry. Total burden is therefore 3,750 hours (15,000 responses x 15 min. = 3,750.00 hours).

The annualized burden cost to the respondents has been estimated to be approximately \$54,375.00. This estimate is derived from use of the National Average Weekly Wage (NAWW) as computed by the Bureau of Labor Statistics and which is based on the national average earnings of production or nonsupervisory workers on private non-agriculture payrolls. Section 906(b) of the Act mandates the use of the NAWW in setting the maximum and minimum compensation rates under the Act and in determining the amount of annual adjustments due to permanent total disability and death beneficiaries. Since it is not possible to determine the specific occupation or wages for each person who will provide the information covered by this clearance, e.g., claims adjusters, claims managers, self-insurance administrators, secretaries, claims clerks, and other office personnel, and wages can vary considerably from person to person depending on duties and length of service, use of a national average weekly wage covering all occupations appears reasonable under the circumstances. The current applicable NAWW is \$580.18. The computations are therefore as follows: $\$580.18 \div 40 \text{ hrs} = \$14.50/\text{hr} \times 3,750 \text{ hrs} = \$54,375.00$ annualized burden cost.

13. This information collection does not require the use of systems or technology for generating, maintaining or disclosing the data above that which would already be kept as a customary business practice. Therefore, a mailing cost of \$.45 per response (\$.42 postage and \$.03 envelope charge) is applied as an operation cost, with a total of \$6,750.00 for the 15,000 responses ($15,000 \times \$0.45 = \$6,750.00$). A printing cost of \$32.00 per 100 copies is also applied and amounts to \$4,800.00 ($15,000 \text{ responses} \div 100 = 150 \times \$32.00 = \$4,800.00$). The total cost is therefore approximately \$11,550.00 ($\$6,750.00 + \$4,800.00 = \$11,550.00$).

14. The estimated cost to the government has been estimated to be approximately \$43,334. This estimate was determined by taking into consideration printing, distribution and analysis costs associated with the issuance and review of Form LS-208. Printing

costs were determined by using a cost of \$32.00 per 100 copies for the form, which is a 5 part, two-sided carbonized document. Distribution costs were determined by applying a postage (\$.42) and envelope charge (\$.03) against the number of copies issued. Analysis and handling costs were determined by applying the hourly rate of a GS-12 Step 5 Claims Examiner (\$35.47*) to the total annual hours required for review. The annual review hours were determined by applying an estimate of 5 minutes (.08 hours) for the review of each form against the 15,000 forms, which are reviewed each year. The computations are therefore as follows:

*Salary Table 2008 - RUS

Printing	\$	320.00	(1,000 copies at \$32 per 100 copies)
Distribution		450.00	(1,000 copies x \$.45)
Analysis		42,564.00	(15,000 x .08 hrs = 1,200.00 hrs x \$35.47
= \$42,564.00)			
Total		\$43,334.00	

15. The burden hours for this information collection have decreased from the previous submission of 5,681 to 3,750, which is an adjustment of -1931 burden hours. Improved technology allows us to obtain the actual number of forms received each year from the LongShore Case Management System database and allows for the completion of the form electronically. The reduction in the number for forms received is also due to reduced reporting under the Act.

16. The information collected will not be published for statistical use._

17. We are requesting a continuation of the exemption of the provisions of 5 CFR 1320.8(b)(1), which requires that a current expiration date be affixed on all OMB cleared forms.

The usual OBM clearance is for 3 years. In the Longshore program, users supply and stock most forms. Large insurance carriers and self-insured employers will generally print, or have their own supplies of the forms they use printed. However, small to medium carriers and employers will usually purchase their supplies from large printing companies that stock large quantities of the forms with which to fill small orders. It is difficult to estimate the amount of demand for the forms; therefore, supplies of some forms may stay in stock for many

years before they are all purchased and new supplies are printed. Large carriers and self-insurers also print in large quantities to reduce costs. Since the Longshore program has remained stable for many years, very few if any changes are ever required in the forms used. To require that all forms be reprinted every three years to merely change the OMB expiration date on the forms would impose an economic burden on the industry, which cannot be justified under the circumstances.

To require reprinting every three years would also impose an additional cost burden on the government. New proofs of the form would be required, specimens would need to be printed and then distributed to the industry for subsequent printing in large quantities. If there are no substantive changes required in the form, it is difficult to justify the added cost merely to change an OMB expiration date on the form.

We therefore request a continuation of the exemption from the provisions of 5 CFR 1320.8(b)(1) relative to the expiration date requirements for the Longshore form associated with this clearance.

18. There are no exceptions to the certification.