

**Supporting Statement for  
Certificate of Coverage Request  
20 CFR 404.1913  
OMB No. 0960-0554**

**A. Justification**

1. **Introduction/Authoring Law and Regulations** - *Section 233 of the Social Security Act (Act)* authorizes the President to enter into bilateral social security agreements with other countries for the purpose of coordinating the social security systems of the two countries. The United States currently has agreements with 24 countries. *Section 233(c)(1)(B) of the Act and 20 CFR 404.1913 of the Code of Federal Regulations* state that these agreements eliminate double coverage and taxation (a situation that occurs when a worker from one country works in the other country and would otherwise be subject to social security coverage and taxation by both countries for the same work). Each agreement contains rules for determining which country's laws will cover the period of work and in which system the worker will pay taxes. Each agreement further provides that upon the request of the worker or the employer, the country under whose system the period of work is covered will issue a Certificate of Coverage (Certificate). That Certificate serves as proof of exemption from coverage and taxation under the system of the other country.
  
2. **Description of Collection** - To obtain a U.S. Certificate, which serves as proof of exemption from coverage and taxation in a foreign country, the worker or employer must write to SSA providing certain information. The information the worker or employer must provide varies depending on the agreement with the particular country. (The worker or employer provides this information only once.) SSA uses the information to determine if the worker should be subject to U.S. Social Security coverage and taxation in accordance with the relevant provisions of the agreement. If SSA determines that the worker should be subject only to U.S. Social Security law, we use the information to prepare a Certificate that identifies the worker, the employer (if any), the period of work involved, etc. Respondents are workers and employers wishing to establish exemption from foreign social security taxes.
  
3. **Use of Information Technology to collect the Information** - The normal procedure for requesting a Certificate is for the employer or worker to write a letter to SSA providing the required information (described in the booklets prepared for each agreement by SSA). For example, pages 4-10 of the booklet about the U.S.-Australian agreement ([http://www.ssa.gov/international/Agreement\\_Pamphlets/austrlia.html](http://www.ssa.gov/international/Agreement_Pamphlets/austrlia.html)) lists the required information to request a Certificate. While most letters are sent by mail, SSA also accepts letters sent by fax. In accordance with the agency's Government Paperwork Reduction Act plan, SSA created an Internet version of the Certificate of Coverage and collects the information via the Internet (see

attached sample printout of the electronic form for requesting a Certificate under the U.S.-Australian agreement). Based on our data, approximately 30 percent of the respondents under this Information Collection Request use the electronic version to submit their requests through the Internet.

4. **Why We Cannot Use Duplicate Information** - The nature of the information we are collecting and the manner in which we are collecting it preclude duplication. SSA does not use another collection instrument to obtain similar data to determine if a worker should be subject to U.S. Social Security law or foreign law under an agreement and, when appropriate, issues a Certificate.
5. **Minimizing Burden on Small Respondents** - Small businesses or other small entities may request a Certificate if a worker needs a Certificate to prove exemption from coverage and taxation under the social security system of an agreement country. However, this collection does not affect small businesses or other small entities.
6. **Consequence of Not Collecting Information or Collecting it Less Frequently** - If we did not collect the information, SSA would be unable to determine whether U.S. workers abroad should be subject to U.S. Social Security law or foreign law under the applicable agreement and would be unable to issue Certificates to exempt them from foreign social security taxes. In addition, dual coverage and taxation for the same period of work could not be eliminated. Because we only collect the information when necessary, we cannot collect it less frequently. There are no technical or legal obstacles to burden reduction.
7. **Special Circumstances** - There are no special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with 5 CFR 1320.5.
8. **Solicitation of Public Comment and Other Consultations with the Public** - Prior to implementing a new agreement (and on an ad hoc basis thereafter) SSA meets with representatives of agency counterparts in the other country to determine what information must be shown on a Certificate to establish an exemption from social security coverage and taxes. Since the Certificates issued by SSA serve to exempt workers from the other country's social security taxes, the information must satisfy the legal requirements and informational needs of that country. SSA also has daily contact with individuals who request Certificates (e.g., workers, employers, accounting firms, etc.) to explain what information must be provided to obtain a Certificate. During these contacts, the respondents frequently provide their views on the information collection process.

SSA published the 60-day advance Federal Register Notice on June 7, 2010, at 75 FR 32231, and we received no public comments. We published the 30-day Notice on August 12, 2010 at 75 FR 49013. If we receive any comments in response to the 30-day Notice, we will forward them to OMB.

We did not consult with the public in the development or revision of this form.

9. **Payment or Gifts to Respondents** - SSA does not provide payments or gifts to the respondents.
10. **Assurances of Confidentiality** - SSA protects and holds confidential the information it collects 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. Any information we collect over the Internet (see Item 3) is collected using secure data technology.
11. **Justification for Sensitive Questions** - The information collection does not contain any questions of a sensitive nature.
12. **Estimates of Public Reporting Burden** – SSA receives approximately 70,000 requests for Certificates annually. Of this total, approximately 40,000 come from individuals, and 30,000 from the private sector. The estimated average response time is 30 minutes. The total annual burden is 20,000 hours for individuals and 15,000 hours for private sector for a total of 35,000 annual burden hours (see chart below). Although there are separate explanatory booklets and online Certificate request forms for each of the agreements, the average hour burden to request a Certificate under each agreement is virtually identical.

<b>Respondents Individuals</b>	<b>Number of Respondents</b>	<b>Frequency of Response</b>	<b>Average Burden Per Response</b>	<b>Total Annual Burden</b>
Requests by Letter	28,000	1	30	14,000
Requests via Internet	12,000	1	30	6,000
<b>Totals</b>	<b>40,000</b>			<b>20,000</b>

<b>Respondents Private Sector</b>	<b>Number of Respondents</b>	<b>Frequency of Response</b>	<b>Average Burden per Response</b>	<b>Total Annual Burden</b>
Requests by Letter	28,000	1	30	14,000
Requests via Internet	9,000	1	30	4,500
<b>Totals</b>	<b>30,000</b>			<b>15,000</b>

The total burden for this ICR is 35,000 hours. This figure represents burden hours and we did not calculate a separate cost burden.

13. **Annual Cost to the Respondents** - This collection does not impose a known cost burden to the respondents.
14. **Annual Cost to the Federal Government** - The annual cost to the Federal Government is approximately \$58,400. This estimate is a projection of the costs for printing and distributing the collection instrument for collecting the information. Since the implementation of the Internet application, the annual printing cost for the Certificate of Coverage decreased. The operating cost for the online Internet application is essentially nil. Of course, there are global costs for electricity and Internet maintenance, but these are part of the Agency's customary and usual business expenses and are not specific to this application.
15. **Program Changes or Adjustments to the Information Collection Request** - When we last cleared the Information Collection Request in 2007, the burden was 25,000 hours. However we are currently reporting a burden of 35,000. This change stems from three new agreements with the Czech Republic, Denmark and Poland which went into effect during this period, effectively increasing the number of respondents by 20,000.
16. **Plans for Publication Information Collection Results** - SSA will not publish the results of the information collection
17. **Displaying the OMB Approval Expiration Date** - OMB granted SSA an exemption from the requirement to print the OMB expiration date on its program forms and pamphlets. SSA produces millions of public-use forms and pamphlets, with life cycles exceeding those of an OMB approval. Since SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis), OMB granted this exemption so SSA would not have to destroy stocks or otherwise useable forms with expired OMB approval dates, avoiding Government waste.  
  
SSA will place the expiration date on its Internet versions of the booklets upon approval of this clearance package.
18. **Exceptions to Certification Statement** - 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.