

**Supporting Statement for Forms SSA-L9778, SSA-L9779, SSA-L9781
SSA-L9784, SSA-L9785 and SSA-L9790
Annual Earnings Test Direct Mail Follow-up Program Notices
20 CFR 404.452-404.455
OMB No. 0960-0369**

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 205(a) of the *Social Security Act (Act)* and regulations 20 CFR 404.452-404.455 of the Code of Federal Regulations authorize the Commissioner of the Social Security Administration (SSA) to request earnings information from a working beneficiary receiving monthly Social Security Benefits.

Section 203(h) of the *Act* and regulations 20 CFR 404.452-404.455 require individuals entitled to benefits on their own behalf (or receiving benefits on behalf of another) to provide an estimate of earnings for the current year. Section 203(h)(4) of the *Act*, as amended by the *Deficit Reduction Act of 1984*, authorizes the Commissioner of Social Security to implement procedures precluding SSA from paying incorrect benefits to working beneficiaries who fail to file a correct report or estimate of earnings. Section 203 of the *Act*, as amended by the *Senior Citizens Freedom to Work Act of 2000*, eliminated the earnings test at full retirement age.

SSA may reduce benefits payable under the *Act* when an individual has wages or self-employment income exceeding the annual exempt amount. SSA identifies beneficiaries likely to receive more than the correct amount, and requests more frequent estimates of earnings from them. When applicable, we also request a future year estimate to reduce overpayments due to earnings.

SSA developed the Annual Earnings Test Direct Mail Follow-up Program to improve beneficiary reporting on work and earnings during the year and earnings information at the end of the year.

SSA sends letters to beneficiaries who are in the year of full retirement age (FRA) requesting earnings information prior to the month of FRA.

Based on SSA's informational need, we send each beneficiary a specific letter tailored to him or her, which includes relevant earnings data from SSA records. The list below shows the letters and their usage:

- 1) We use Form SSA-L9778 when the estimate is more than the exempt amount but is equal to or less than the prior year's estimate;
- 2) We use Form SSA-L9779 when the estimate is over the exempt

amount and is equal to or less than the prior year's earnings or there is no prior year estimate;

- 3) We use Form SSA-L9781 when the first year retirement case is paid on the basis of non-service months (when the beneficiary did not work) and December is a non-service month;
- 4) We use Form SSA-L9784 to obtain a current earnings estimate for months prior to FRA when the estimate of record is more than the exempt amount, and the monthly earnings test is not applicable;
- 5) We use Form SSA-L9785 to obtain a current earnings estimate for months prior to FRA when the estimate of record is over the exempt amount, and the monthly earnings test is applicable; and.
- 6) We use Form SSA-L9790 to report earnings information for a closed year.

2. Description of Collection

We use the information obtained on these beneficiary completed paper forms to prevent earnings-related overpayments and to avoid erroneous withholding. Based on SSA's informational need, we tailor this annual letter to the beneficiary and include relevant earnings data from SSA records. While we do not require the respondents to supply the information, SSA may not make accurate and timely decisions on the payment amounts without it. Beneficiaries are able to complete the forms without needing to obtain information from someone else. SSA employees review each completed letter to determine whether to withhold or continue the beneficiary's benefits. The respondents are working Retirement Survivors Insurance beneficiaries with earnings over the exempt amount.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act Plan, SSA did not create an Internet submission site for these forms because there is no electronic system to capture and process the requested information.

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.

5. Minimizing Burden on Small Respondents

This collection does not affect small businesses or other small entities.

6. Consequence of Not Collecting Information or Collecting it Less Frequently

This collection must take place based upon the need of the applicant. If we did not collect this information, overpayments to beneficiaries could result. We can

avoid many overpayments by contacting certain beneficiaries when much of the earnings year is past, but in time to improve the accuracy of their earnings estimate and to adjust current year benefits. We cannot collect this information less frequently, as it may result in incorrect payments to beneficiaries. 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

The 60-day advance Federal Register Notice published on January 20, 2011 at 76 FR 3688, and SSA received no public comments. The second Notice published on May 16, 2011 at 76 FR 28297. If we receive any comments in response to the 30-day Notice, we will forward them to OMB. SSA did not consult members of the public in the development or maintenance 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.

11. Justification for Sensitive Questions

The information collection does not contain any questions of a sensitive nature.

12. Estimates of Public Reporting Burden

Approximately 736,072 working beneficiaries use forms SSA-L9779; SSA-L9779; SSA-L9781; SSA-L9784; SSA-L9785 and SSA-L9790. The average response time is 10 minutes, for 122,677 burden hours. The chart below shows the burden for the modality of this collection.

Modality of Completion Paper Version	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Total Annual Burden (hours)
SSA-L9778	42,630	1	10	7,105
SSA-L9779	158,865	1	10	26,478
SSA-L9781	472,437	1	10	78,740
SSA-L9784	1,270	1	10	212
SSA-L9785	15,870	1	10	2,645
SSA-L9790	45,000	1	10	7,500
Totals	736,072			122,680

The total burden for this ICR is 122,680 hours. This figure represents burden hours and we did not calculate a separate cost burden.

13. Annual Cost to the Respondents (Other)

There is no known cost burden on the respondents.

14. Annual Cost To Federal Government

The annual cost to the Federal Government is approximately \$2,085,537.

This estimate is a projection of the costs for printing and distribution costs for the forms and the cost of processing the information.

15. Program Changes or Adjustments to the Information Collection Request

The increase in the burden reported in #12 above stems from the overall increased usage of Forms SSA-L9778, SSA-L9779, SSA-L9781, SSA-L9784, SSA-L9785, and SSA-L9790.

In addition, the previous ICR showed all the forms under one IC. Since we report a different number of respondents per form, we corrected for that in this ICR by creating separate ICs for each form.

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. SSA produces millions of public-use forms 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 of otherwise useable forms with expired OMB approval dates, avoiding Government waste.

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.