

Justification
Gross Earnings Report
RRB Form BA-11

1. **Circumstances of information collection** - To carry out the financial interchange provisions of section 7(c)(2) of the Railroad Retirement Act (RRA), the Railroad Retirement Board (RRB) obtains annually from railroad employers the gross earnings for their employees on a one percent basis, i.e., 1% of each employer's railroad employees. The gross earnings sample is based on the earnings of employees whose social security numbers end with the digits "30." The gross earnings are used in the computation of the Financial Interchange with the Social Security Administration and the Centers for Medicare and Medicaid Services.

The financial interchange between the railroad retirement and social security systems was established by the 1951 amendments to the RRA and was made retroactive to January 1, 1937. The purpose of the financial interchange between the railroad retirement and social security systems is to put the social security (OASDHI) trust funds in the same position they would have been had railroad employment been covered under the Social Security Act since its inception.

The procedures pertaining to the RRB's collection of gross earnings information needed to carry out the financial interchange provisions of the RRA are contained in 20 CFR 209.13.

Under the Railroad Retirement Solvency Act of 1983, sickness payments became creditable as compensation. Railroad employers are asked to include the sickness payments with other compensation in gross earnings reports.

2. **Purposes of collecting/consequences of not collecting the information** - Gross earnings information is essential in determining the computations involved in the financial interchange with the Social Security Administration and the Centers for Medicare & Medicaid Services. Besides being necessary for current financial interchange calculations, the gross earnings file tabulations are also an integral part of the data needed to estimate future tax income and corresponding financial interchange amounts. These estimates are made for internal use and to satisfy requests from other government agencies and interested groups. In addition, cash-flow projections of the social security equivalent benefit account and railroad retirement account and cost estimates made for proposed amendments to laws administered by the RRB are dependent upon input developed from the information collection.

Employers report BA-11, Gross Earnings information, by means of computer prepared submissions (tapes, CD-Rom's secure E-mail or FTP, or by completing a Form BA-11, Report of Gross Earnings manually. The instructions and formats for submitting the gross earnings reports are contained in the Office of Programs' "Instructions to Employers."

Form BA-11 contains a one line entry for each employee, showing the employee's social security number, name and gross earnings amounts on an annual, quarterly or monthly basis. The top portion of the form contains five information items requesting pertinent

employer and report identifying information. Instructions for completing Form BA-11 are on the reverse side of the form. The BA-11 is similar to RRB Form BA-3, *Annual Report of Creditable Compensation* (OMB No. 3220-0008).

Railroad employers are required to submit gross earnings reports annually¹. All Form BA-11 reports of gross earnings, whether on paper, secure E-mail, CD-ROM, magnetic tape cartridge or File Transfer Protocol (FTP), are required to be accompanied by Form G-440, Report Specification Sheet (OMB 3220-0008). Employers with more than 5,000 employees must show a monthly or quarterly breakdown of the year's earnings. Annually, a circular letter of reminder is sent to each employer. The burden statement relating to the estimated completion time for the BA-11 and instructions for submitting gross earnings reports or electronic equivalent BA-11's are contained in this circular letter. A current circular letter that includes the required Paperwork Reduction Act information for electronic equivalent BA-11's is included as part of our IC.

The RRB proposes no changes to Form BA-11.

3. **Planned use of improved information technology or technical/legal impediments to further burden reduction** – The RRB has taken significant steps to offer railroad employers electronic alternatives for filing BA-11 information. No further technological improvements are planned at this time.
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 the information collection. The notice to the public was published on page 65388 of the October 22, 2010, Federal Register. No comments pertinent to the information collection were received.
9. **Payments or gifts to respondents** - None
10. **Confidentiality** - Privacy Act System of Records, RRB-29, Railroad Employees' Cumulative Gross Earnings Master File-RRB. In accordance with OMB Circular M-03-22, a Privacy Impact Assessment has been completed and can be found at <http://www.rrb.gov/pdf/PIA/PIA-BPO.pdf>
11. **Sensitive questions** - N.A.
12. **Estimate of respondent burden** –The gross earnings reports are required annually from all employers reporting railroad service and compensation. Most large railroad employers include their railroad subsidiaries in their gross earnings reports. Also, there are a large number of railroad employers having work-forces so small they do not have employees

with social security numbers ending in “30.” These employers file “negative” G-440 responses to the RRB.

Overall, on an annual basis, the RRB receives an estimated 169 “positive” responses (a completed BA-11). A breakdown of the estimated 169 responses by reporting media are shown in the subsequent table under “estimated reporting burden”.

A breakdown (by media) of the **current OMB approved reporting burden** is as follows:

Form Number	Annual Responses	Time (Minutes)	Burden(Hours)
BA-11 (magnetic tape** / file transfer protocol***)	5	300 (5 hours)	25
BA-11 (CD-ROM)**	46	30	23
BA-11 (manual form) *	57	30	29
BA-11 (secure E-mail)***	60	30	30
Total	168		107

A breakdown (by media) of the **estimated reporting burden** is as follows:

Form Number	Annual Responses	Time (Minutes)	Burden(Hours)
BA-11 (magnetic tape** / file transfer protocol***)	8	480 (5 hours)	40
BA-11 (CD-ROM)**	38	30	19
BA-11 (manual form) *	76	30	38
BA-11 (secure E-mail)***	47	30	24
Total	169		121

* Fillable, Printable – No electronic submission.

** Fillable, Fileable – No electronic submission.

***Fillable, Fileable – Can be electronically submitted.

	Responses	Hours
Program Change	+0	+0
Adjustment	<u>+1</u>	<u>+14</u>
Total burden change	+1	+14_

13. **Estimate of 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’s estimated reporting burden reflects the actual amount of responses received utilizing the various media over the last OMB

renewal cycle. We have shown the slight increase in the amount of responses and burden hours as an adjustment.

16. **Time schedule for data collection and publication** - The gross earnings report is obtained annually from railroad employers. The summaries and tables pertaining to the calculations, based on the gross earnings reports submitted by the employers, are published annually in the publication "RRB-SSA-CMS Financial Interchange."
17. **Request not to display OMB expiration date** -The BA-11 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 authorization not to display the expiration date on the form.
18. **Exceptions to certification statement** – None

¹ Certification/negative responses for BA-11's (no applicable earnings) are accounted for with the filing of Form G-440, Reports Specification Sheet (OMB 3220-0008). Form G-440 is used as a certification for **all RRB BA-series Employer Reporting Forms**.