

Consent-Based Social Security Number Verification Service (CBSV)

OMB No. 0960-0760

Request for Approval of Non-Substantive Change

Explanation of Change:

SSA's Consent Based SSN Verification (CBSV) service provides fee-based Social Security Number (SSN) verification to private businesses and government agencies who obtain a valid, signed consent form from the Social Security Number holder. Participating business and agencies can only use the verification results for the reason the number holder specifies on the consent form. CBSV provides instantaneous, automated verification results and easily handles large volume requests. CBSV is currently open for enrollment.

SSA charges a fee to recoup the costs we incur in providing this service. To use CBSV companies must pay a one-time, non-refundable enrollment fee of \$5,000, and pay a transaction fee per SSN verification request. The transaction fee currently approved by OMB is \$5.00. However, **we are requesting to decrease the transaction fee to \$1.05.** This adjustment is necessary because SSA has recouped the cost it incurred to build the system. Periodically, SSA recalculates the costs we incur in providing the CBSV service, and adjusts the transaction fee charged as needed. We notify subscribers in writing about any change in the transaction fee.

Justification 1: Volume of Use Meets Expectations

CBSV is a reimbursable project and uses a fee-per-transaction model to recoup its cost. Therefore, as the volume of transactions increases the fee amount will decrease, so that when actual volume of transactions is more than we anticipated at the calculation of the initial fee, SSA must decrease the fee after ensuring full cost recovery.

When SSA decided to proceed with CBSV in April 2008, 59 participants enrolled in the program and submitted an estimated number of future transactions totaling about 5,650,675 transactions for fiscal year (FY) 2009. SSA used this estimated number of transactions as the basis for the \$0.56 per-transaction fee amount.

Effective, October 1, 2009, we requested, and OMB-approved, a transaction fee increase from \$.56 to \$5.00 per verification request. The actual transaction volumes had resulted in a loss of expected revenue needed to repay the trust funds for the initial outlays to build the system.

Effective August 2011, SSA recovered the costs of building the necessary computer system and the associated labor over the number of anticipated transactions occurring in a three-year recovery period. SSA must now decrease the transaction fee from \$5.00 to \$1.05 to reflect the

0960-0760
Non-Substantive Change
1/31/2021

actual cost to maintain the system. SSA is prohibited by law from making a profit, but we are required to recover the funds we expend.

While there may be some growth in FY 2012, we anticipate the volume of transactions will still be at the FY 2010 and 2011 levels.

Estimated Per SSN Transaction Fee - $\$1.05 \times 986,585$ SSN requests (28,865 responses per year)
= \$1,035,914 approximately.