

Supporting Statement for Form SSA-L4201
Letter to Employer Requesting Wage Information
OMB No. 0960-0138

A. Justification

- 1. Introduction/Authoring Laws and Regulations** - Required under statute, the Social Security Administration (SSA) must establish and verify wage data for Supplemental Security Income (SSI) applicants and recipients, along with other factors, for determining SSI eligibility and payment amounts. Sections 1611(c), 1612(a) (1), and 1631(e) (1) of the *Social Security Act* provide SSA the authority to collect the information requested on Form SSA-L4201.
- 2. Description of Collection** - SSA uses form SSA-L4201 to collect wage data from employers to verify wage information provided by SSI applicants and recipients. SSA uses this data to determine if an individual is eligible for SSI and, if so, the amount of payment due. Respondents are employers of SSI applicants and recipients.
- 3. Use of Information Technology to Collect the Information** - SSA solicits the information from employers using the paper form SSA-L4201. SSA enters the information into the Modernized SSI Claims System (MSSICS).
- 4. Why We Cannot Use Duplicate Information** - SSA uses similar forms for Retirement, Survivors, and Disability Insurance (RSDI) purposes. However, those forms are not suitable for SSI purposes because of the difference in the "earned income" information used by the two programs. The amount actually paid in a given month is critical to correct payment for SSI purposes, and the amount earned in a given month is significant for RSDI purposes.
- 5. Minimizing Burden on Small Respondents** - SSA may use the SSA-L4201 to collect wage information from small businesses. The employer response is voluntary. Before SSA collects information using the SSA-L4201, we try to minimize the burden on the employer by first attempting to verify past wages (e.g., via employee payroll slips or wage receipts) and estimating future wages using evidence provided by the claimant. If payroll slips are unavailable, we then can accept wage verification from an SSA-approved wage verification company as primary evidence of wages. If the employer has not registered with an SSA-approved wage verification company, SSA will telephone the employer to verify wages. SSA does not have a specific data collection form for the collection of information taken by telephone. SSA claims representatives responsible for obtaining and recording wage information record this information on the paper form SSA-5002, MSSICS Report of Contact, or on Form SSA-L4201.

If SSA is unable to collect wage information from the employer over the telephone, then

SSA mails the SSA-L4201 to the employer. Based on the above, this collection does not significantly affect small businesses or other small entities.

- 6. Consequences of Not Collecting Information or Collecting it Less Frequently** - For SSA to ensure correct payment and minimize overpayment to SSI claimants/recipients, SSA must verify income and information about current wages. The consequence of not collecting this information is an increased potential for incorrect SSI payments. Less frequent updating of wage information could cause an increase in inaccurate payments to recipients. There are no technical or legal obstacles that prevent burden reduction.
- 7. Special Circumstances** - There are no special circumstances that would cause SSA to collect this information in a manner inconsistent with 5 CFR 1320.5.
- 8. Solicitation of Public Comment and Other Consultations with the Public** - SSA published the 60-day advance Federal Register Notice on December 15, 2011 at 76 FR 78068, and SSA received no public comments. We published the 30-day Federal Register Notice on January 29, 2012 at 77 FR 12350. The first Federal Register Notice lists this ICR as an extension; however, as we are revising the Privacy Act Statement, SSA is now listing this ICR as a revision. If we receive any comments in response to the 30-day Notice, we will forward them to OMB. There have been no outside consultations with members of the public.
- 9. Payment or Gifts to Respondents** - SSA provides no payment or gifts to the respondents.
- 10. Assurance of Confidentiality** - SSA protects and holds confidential the information requested we collect 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 133,000 respondents use Form SSA-L4201 annually. The average response time is 30 minutes, for 66,500 total burden hours. The total burden represents burden hours, and SSA did not calculate a separate cost burden.
- 13. Annual Cost to the Respondent** - There is no known cost burden to the respondents.
- 14. Annual Cost to the Federal Government** - The annual cost to the Federal Government is approximately \$614,460. This estimate is a projection of the costs for printing and distributing the collection instrument and for collecting the information.
- 15. Program Changes or Adjustments to the Information Collection Request** - There are no changes in the public reporting burden.

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 exempted SSA from publishing the expiration date for OMB approval on its forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that of an OMB clearance. SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis). OMB granted this so that SSA would not have to stop using otherwise useable editions of forms with outdated expiration dates. In addition, we avoid government because we do not have to destroy and reprint stocks of forms.

18. Exception 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.