

## Justification

**RUIA Claims Notification and Verification System**

RRB Form ID-4K, ID-4K (Internet), ID-4E, and ID-4E (Internet)

1. Circumstances of information collection - Section 5(b) of the Railroad Unemployment Insurance Act (RUIA), as amended by the Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (P.L. 100-647), requires that effective January 1, 1990, when a claim for benefits is filed with the Railroad Retirement Board (RRB), the RRB shall provide notice of the claim to the claimant's base-year employer(s) to provide the employer(s) with an opportunity to submit information relevant to the claim before we make an initial determination. If we determine to pay benefits to the claimant under this Act, we notify the base-year employer(s) of our determination.

**\*Whereas the law requires that notice be provided and the opportunity to respond to the notice, the decision to respond to any particular notice is voluntary.**

The procedures pertaining to such notice and the opportunity for response are prescribed in 20 CFR 320.10.

2. Purposes of collecting/consequences of not collecting the information - The purpose of the claims notification system is to provide two notices, pre-payment Form ID-4K and post-payment Form ID-4E, to a claimant's base year employer (and current employer, if not the same as the base year employer), regarding the filing, under the RUIA, of each unemployment application and each unemployment and sickness claim for benefits. Each notice allows the base-year employer the opportunity to provide information which may be relevant to the proper adjudication of the employee's claims by the RRB.

A. **First Notice**

**Form Letter ID-4K, Prepayment Notice of Employees' Applications and Claims for Benefits Under the Railroad Unemployment Insurance Act**, is sent by the RRB when an unemployment application or a subsequent unemployment or sickness claim is filed.

Railroad employers may elect to receive ID-4K prepayment notices of unemployment applications and unemployment and sickness claims by one of three options.

Option 1

- **Form Letter ID-4K, Prepayment Notice of Employees' Applications and Claims for Benefits Under the Railroad Unemployment Insurance Act**, is a computer-generated paper notice of all unemployment applications, unemployment claims, and sickness claims received from employees of a railroad company on a particular day, and is mailed on a daily basis to officials designated by railroad employers. The notice contains information about unemployment applications and unemployment and sickness claims received and entered into the Railroad Unemployment Claims System database (RUCS) on the preceding business day. Employers who are mailed Form Letter ID-4K are instructed to telephone the adjudicating RRB office if information can be provided within three business days, and to mail information to the RRB after three business days.

Option 2

- An electronic data interchange (EDI) equivalent of the Form ID-4K notice is transmitted to participating railroads on a daily basis, generally on the same day that unemployment applications and unemployment and sickness claims are received and entered into RUCS. Employers participating in the electronic notification process are encouraged to respond electronically.

Option 3

- **Form ID-4K (Internet), Prepayment Notice of Employees' Applications and Claims for Benefits Under the Railroad Unemployment Insurance Act**, provides employers with an Internet filing option as part of the RRB's overall plan to provide its customers with a substitute for paper, when practical. The ID-4K (Internet), which provides and collects essentially the same information as the Form Letter ID-4K, is posted on a daily basis on the RRB's Employer Reporting System (ERS), generally the same day that unemployment applications and unemployment and sickness claims are entered into RUCS and provides employers with the ability to respond more quickly by utilizing ERS.

Form ID-4K (Internet), which consists of a series of computer screens, is completed electronically by employers who have obtained access to ERS by completing RRB Form BA-12, Application for Employer Reporting Internet Access (OMB approved 3220-0008), which provides information used by the RRB to evaluate the level of access requested and document the level of access granted. Employers participating in the electronic notification process through ERS are encouraged to respond electronically.

Under all options, when the RRB sends the base year railroad employer(s) an unemployment application or unemployment or sickness claim notice by Form ID-4K, electronically, or via the Internet, each notice contains the following information:

- Employee Name, Date Last Worked, Social Security Number
- Employee's reason for being unemployed, Payroll Identification Number
- Days Claimed by the employee for unemployment or sickness benefits
- Local RRB Office, Telephone Number

The employer then has the opportunity to compare the information provided in the RRB notice with available personnel and work force records (i.e., payroll, timekeeping, crew management, and employee status records). An employer responds to an application or claim notice if a comparison of the application or claim information with employer records reveals one or more of the conditions which have been determined to involve questionable claims for benefits. Comparison of the application or claim information with employer records may either be performed mechanically or manually. In addition to responding to the specific information provided in the RRB notice, the railroad employer is able to provide any additional information considered relevant to the employee's eligibility for RUIA benefits. Upon receipt of the information from the employer, the RRB's adjudication office determines whether to pay or deny benefits.

Railroad employers may respond to RRB notices of unemployment applications or unemployment or sickness claims by EDI, Internet, mail, or telephone. Employers are

allowed three business days from the date of the RRB's notice to provide a response before a decision is made to pay or deny a claim. If no response is received by the third business day, a determination is made on the employee's claim based on the information available.

The required Paperwork Reduction Act Notice and the burden statement for the collection of RUIA appeal information are incorporated in RRB Circular Letter No. UI-C-229. This circular letter is mailed to railroad Chief Executive Officers and Unemployment and Sickness Insurance Contact Officials, and is available for viewing on the RRB's website at [www.rrb.gov](http://www.rrb.gov).

**The RRB proposes no changes to any of the Form ID-4K options.**

**B. Second Notice**

**Form Letter ID-4E, Notice of RUIA Claim Determination**, is sent by the RRB to a base-year employer when a sickness or unemployment claim by one of their employees is approved for payment, either in whole or in part, by the RRB. The notice displays either the gross payable or an amount charged, depending on whether additional benefits have been paid that were previously denied for the same claim period.

Railroad employers may elect to receive ID-4E post-payment notices of claims by one of three options:

Option 1

- **Form Letter ID-4E, Notice of RUIA Claim Determination**, is a computer-generated paper notice, which the RRB sends daily. If upon receipt the base-year employer(s) believes the determination is incorrect, a review of the determination to pay benefits may be requested.

**In essence, this is the employer's second chance to challenge a claim for benefits.** Since a base-year employer's RUIA contribution rate is determined, in part, by the cumulative amount of RUIA benefits their employees are paid, it is in the base-year employer's best interest to verify that RUIA benefits are correctly claimed and paid to their employees. Employers who are mailed Form Letter ID-4E are instructed that if they disagree with the determination to pay benefits and decide to request reconsideration, their request must be in writing and must be received by the RRB within 60 calendar days of the date of the notice. If no response is received within 60 calendar days, the benefit charges are included in the base year employer's individual "benefit charge total" for the appropriate quarter.

Option 2

- An electronic data interchange (EDI) equivalent of the Form ID-4E notice is transmitted to participating railroads on a daily basis, generally on the same day that payments are approved. Employers participating in the electronic notification process are encouraged to respond electronically.

Option 3

- **Form ID-4E (Internet), Notice of RUIA Claim Determination**, provides employers with an Internet filing option as part of the RRB's overall plan to provide its customers with a substitute for paper, when practical. The ID-4E (Internet), which provides and collects essentially the same information as the ID-4E, is posted on a daily basis on the Employer Reporting System (ERS), generally the same day that payments are approved and provides employers the ability to respond more quickly by utilizing ERS.

Form ID-4E (Internet), which consists of a series of computer screens, is completed electronically by employers who have obtained access to ERS by completing RRB Form BA-12, Application for Employer Reporting Internet Access (OMB Approved 3220-0008), which provides information used by the RRB to evaluate the level of access requested and document the level of access granted. Employers participating in the electronic notification process through ERS are encouraged to respond electronically.

Under all options, when the RRB sends the base year railroad employer(s) a post-payment notice of application or claims by Form Letter ID-4E, electronically, or via the Internet, each notice contains the following information:

- Employee Name, Social Security Number
- Claim Begin Date, Claim Profile (a series of 14 numeric codes indicating the days claimed and allowed, and the days denied in the claim period)
- Gross Payable - The amount of benefits payable with respect to the claim
- Charged - The amount of benefits previously not reported to the employer. If the notice is the first one with respect to the claim, the amount will be the same as the "Gross Payable." If the determination results in a payment on a claim which was previously denied in whole, or in part, or was not paid pending completion of an investigation, the amount of the additional benefits paid as a result of the determination is shown.
- Type of Benefit - Sickness (SI) or Unemployment (UI)
- Benefit Year (BY)
- Payroll Identification Number of the employee
- Local RRB office

The employer then has the opportunity to compare the information provided in the RRB notice with available personnel and work force records (i.e., payroll, timekeeping, crew management, and employee status records). An employer responds to a claim notice if a comparison of the claim payment information with employer records reveals the claimant should not have been paid benefits for one or more of the claimed days. Comparison of the claim information with employer records may either be performed mechanically or manually. In addition to responding to the specific information provided in the RRB notice, the railroad employer is able to provide any additional information considered relevant to the employee's eligibility for the RUIA benefits paid. Upon receipt of the information from the employer, the RRB's adjudication office determines whether to recover benefits previously paid.

Under all three options employers are allowed sixty calendar days from the date of the RRB notice to protest the payment of benefits.

The required Paperwork Reduction Act Notice and the burden statement for the collection of RUIA appeal information are incorporated in RRB Circular Letter No. UI-C-229. This circular letter is mailed to railroad Chief Executive Officers and Unemployment and Sickness Insurance Contact Officials, and is available for viewing on the RRB's website at [www.rrb.gov](http://www.rrb.gov).

**The RRB proposes no changes to any of the Form ID-4E options.**

To our knowledge, no other agency uses forms comparable to the ID-4K, ID-4K (Internet), ID-4E, ID-4E (Internet). Completion is voluntary.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction - In the case of notices sent by electronic data interchange (EDI), information from each unemployment application, unemployment claim and sickness claim filed under the Railroad Unemployment Insurance Act is formatted into a message for transmission via the RAILINC telecommunications network to each participating employer.

RAILINC Corporation is a subsidiary of the Association of American Railroads. Message formats comply with EDI formats and standards approved by the Data Interchange Standards Association.

Further, consistent with previously stated GPEA goals, the RRB offers employers an Internet-based equivalent for both Forms ID-4K and ID-4E as part of its overall plan to provide its customers with a substitute for paper, when practical.

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 55719 of the September 8, 2011, Federal Register. No comments or requests for additional information were received.
9. Payments or Gifts to Respondents - N.A.
10. Confidentiality - Privacy Act Systems of Records RRB-7, Applications for Unemployment Benefits and Placement Service under Railroad Unemployment Insurance Act, and RRB-21, Railroad Unemployment and Sickness Insurance Benefit System. An RRB Privacy Impact Assessment related to the collection can be found at <http://www.rrb.gov/pdf/PIA/PIA-BPO.pdf>.
11. Sensitive questions - There are no questions of a sensitive nature.

12. Estimate of respondent burden -The current and estimated annual burden for this collection is as follows:

**Current Burden**

<b>RRB Messages</b>	<b>Responses</b>	<b>Time (Minutes)</b>	<b>Burden</b>
<b>UI Applications/Claims</b>			
ID-4K (Paper)	500	2	17
ID-4K (Mainframe) (EDI)	9,800	---*	126
ID-4K (Internet)	1,500	2	50
ID-4E (Paper)	30	2	1
ID-4E (Internet)	30	2	1
Subtotal	11,860		195
<b>Sickness Claims</b>			
ID-4K (Paper)	750	2	25
ID-4K (Mainframe) (EDI)	5,050	---*	84
ID-4K (Internet)	1,000	2	33
ID-4E (Paper)	20	2	1
ID-4E (Internet)	20	2	1
Subtotal	6,840		144
<b>Total</b>	<b>18,700</b>		<b>339</b>

**Estimated Burden**

RRB Messages	Responses	Time (Minutes)	Burden
<b>UI Applications/Claims</b>			
ID-4K (Paper)	500	2	17
ID-4K (Mainframe) (EDI)	21,175	---*	126
ID-4K (Internet)	42,300	2	1,410
ID-4E (Paper)	30	2	1
ID-4E (Internet)		2	3
	90		
Subtotal	64,095		1,557
<b>Sickness Claims</b>			
ID-4K (Paper)	750	2	25
ID-4K (Mainframe) (EDI)	3,040	---*	84
ID-4K (Internet)	10,000	2	333
ID-4E (Paper)	20	2	1
ID-4E (Internet)	30	2	1
Subtotal	13,840		444
Total	<b>77,935</b>		<b>2,001</b>

\* The burden for the railroad employers receiving EDI messages has been calculated in the following manner. We estimate that 10 minutes a day would be required on average for each of the 5 railroad employers to operate the system. Based on 251 workdays in a year, we calculate the number of burden hours to be 210 hours, of which we allocated 60 percent to unemployment transactions (126 hours) and 40 percent to sickness transactions (84 hours).

	Responses	Hours
Total burden Change	+59,235	+1,662
Adjustment	+59,235	+1,662

13. Estimate of annual cost to respondents or record keepers - N.A.
14. Estimated cost to Federal Government - N.A.
15. Explanation for change in burden - The estimate has been revised upward to reflect an average of the actual responses received over the last three benefit years. The number of unemployment applications and claims has increased as a result of increased unemployment within the rail industry (consistent with the overall economy) beginning in 2008 and as a result of the passage of legislative acts that provided for the payment of extended unemployment benefits in 2008 through 2011. We have classified the +59,235 increase in responses and +1,662 burden hours as an adjustment.
16. Time schedule for data collections and publication - The results of this collection will not be published.
17. Request not to display OMB expiration date - The ID-4K, ID-4K (Internet), ID-4E and ID-4E (Internet) will seldom be revised. Given the costs associated with programming necessary to revise the computer-generated letter, Internet, and EDI-equivalent versions

of the forms in order to keep the appropriate OMB expiration date in place, the RRB requests authorization to not display the expiration date on the form.

18. Exceptions to Certification Statement - None