

## Justification

**Railroad Service and Compensation Reports**

RRB Forms BA-3, BA-3 (Internet), BA-4, BA-4 (Internet), BA-12 and G-440

1. Circumstances of information collection - Under Section 9 of the Railroad Retirement Act (RRA) railroad employers are required to submit reports of their employees' service and compensation. Also, under Section 9 of the RRA and Section 6 of the Railroad Unemployment Insurance Act (RUIA), the Railroad Retirement Board (RRB) maintains, for each railroad employee, a record of the compensation paid by all railroad employers for whom the employee worked after 1936. This record, which is used by the RRB to determine eligibility for, and the amount of, benefits due under the laws it administers, is conclusive as to the amount of compensation paid to an employee during the period(s) covered by the report(s) of compensation from the employee's railroad employer(s), except in cases when an employee files a protest pertaining to his or her reported compensation within the statute of limitations cited in Section 6 of the RUIA and Section 9 of the RRA.
2. Purposes of collecting/consequences of not collecting the information - To enable the RRB to establish and maintain the record of compensation, employers are required under Section 6 of the RUIA and Section 9 of the RRA to file with the RRB, in such manner and form and at such times as the RRB by rules and regulations may prescribe, reports of compensation of their employees. These information reporting requirements are identified in 20 CFR 209.6 thru 209.9. The prescribed reporting formats are Forms BA-3 and BA-4. Details about each of the reports follow.

**RRB Form BA-3, Annual Report of Creditable Compensation**, provides the RRB with annual creditable service and compensation for each individual who works in the railroad industry in a given year. All reports contain a one-line entry for each employee, showing the employee's social security number, name, total compensation creditable under the RUIA, maximum benefit compensation under the RUIA, months in which the employee worked, total service months, total Tier I compensation under the RRA, total Tier II compensation creditable under the RRA, miscellaneous and sick pay under the RRA, and the last daily pay rate for any 8 hour tour-of-duty for the earnings year.

Employers have the option of submitting their reports on Form BA-3, or, in like format, on magnetic tape cartridges, CD-ROM, secure E-mail or File Transfer Protocol (FTP). Format requirements for the magnetic tape cartridges and FTP are prescribed in the RRB's Reporting Instructions to Employers. Instructions for completing the paper version are shown on the reverse side of the form.

All of the above reporting formats for the BA-3 require, among other things, a certification statement that is provided on an accompanying Form G-440, *Report Specifications Sheet*, which is described later in this justification.

**The RRB proposes no changes to the manual version of Form BA-3 or like versions filed on magnetic tape cartridges, CD-ROM, secure E-mail or FTP (all previously approved by OMB).**

In accordance with the Government Paperwork Elimination Act, which requires Federal

agencies to provide its customers the option to submit or transact business with agencies electronically, when practical, as a substitute for paper, **the RRB proposes the addition of an Internet equivalent version of Form BA-3 to the information collection. The proposed BA-3 (Internet), *Annual Report of Creditable Compensation*, will be submitted by employers who have obtained access to the RRB's Employer Reporting System (ERS).**

Access to ERS is granted only to employers who have completed RRB Form BA-12, *Application for Employer Reporting Internet Access*. Form BA-12 provides information used by the RRB to evaluate the level of access requested and documents the level of access granted. Once the appropriate access is secured, an employer can complete and submit the Form BA-3 (Internet) on-line.

The proposed BA-3 (Internet) was reviewed by staff of the RRB's General Counsel, OIG and Chief Information Officer and found to be acceptable. Subsequently, the form was reviewed and approved for use (**pending OMB approval**) by the RRB's Board Members.

The proposed BA-3 (Internet) is not a form in the traditional sense but more of a process. *Although it collects essentially the same information as the other approved versions of the BA-3*, it consists of a series of screens, which collect the necessary information and provide for the required notices and certifications, as well as help messages designed to guide the user through the system and complete a successful transaction.

A document titled "proposed BA-3 (Internet) reference/explanation" providing details regarding content of/how to navigate each screen is included in the supplementary document section of the "manage ICR documents" section for the information collection on ROCIS. Also included in the supplementary document section is a draft RRB Program letter that will be released to Railroad Employer's announcing the implementation of the Internet equivalent BA-3.

**RRB Form BA-4, Report of Creditable Compensation Adjustments**, is used by employers to provide the RRB with adjustments to previous reports and any service and compensation omitted from a previous BA-3 report. As with the BA-3 reports, employers may choose to report on Form BA-4 or, in like format, via magnetic tape cartridge, CD-ROM, secure E-mail or FTP. Format requirements for the magnetic tape cartridges, CD-ROM, secure E-mail and FTP are prescribed in the RRB's Reporting Instructions to Employers. Instructions for completing the paper version are shown on the reverse side of the form.

All of the above formats for the BA-4 require among other things, a certification statement that is provided on an accompanying Form G-440, *Report Specifications Sheet*, which is described later in this justification.

**The RRB proposes minor editorial changes to the (manual) paper version of Form BA-4.**

**Form BA-4 (Internet), Report of Creditable Compensation Adjustments**, is submitted by employers who have authorization to access the RRB's Employer Reporting System (ERS). Access to ERS is granted only to employers who have completed RRB Form BA-12, *Application for Employer Reporting Internet Access*. Form BA-12 provides

information used by the RRB to evaluate the level of access requested and documents the level of access granted. Once the appropriate access is secured, an employer can complete and submit the Form BA-4 (Internet) on-line.

The BA-4 (Internet) is not a form in the traditional sense but more of a process. *Although it collects essentially the same information as the other approved versions of the BA-4*, it consists of a series of screens (which collect the necessary information and provide for the required notices and certifications) and help messages designed to help the user navigate through the system and complete a successful transaction.

**The RRB proposes no changes to Form BA-4 (Internet).**

**Form BA-12, Application for Employer Reporting Internet Access**, is used by the RRB to obtain identifying information from railroad employers about the employees they have selected to use the RRB's Employer Reporting System (ERS) and the appropriate level of access (read only, update (data entry/modification), and approval (certify and submit). Form BA-12 is completed by both the railroad employee seeking system access as well as by an authorized employer representative who approves the request. Within 7 days of the receipt of an acceptable application, the RRB mails a logon identification and a password to the employee that provides initial access to ERS. Upon initial entry to the system, the employee is prompted to establish a unique password. Form BA-12 is also used by an employer to terminate an employee's access. Completion of the BA-12 is voluntary and is necessary only if an employer wants to submit data and reports via the RRB's Internet-based ERS.

**The RRB proposes to include the addition of Forms BA-3 and BA-11 (OMB No. 3220-0132) as ERS filing options on Form BA-12 as well as other minor non-burden impacting editorial changes.**

**Form G-440, Report Specification Sheet**, is submitted with all BA-series Employer Reporting forms (including RRB Form BA-11, 3220-0132) submitted on paper, magnetic tape cartridge, CD-ROM, secure E-mail and FTP that require a certification statement. It also identifies the type of report and specifications, if necessary, for the computer. Signing of the certification serves as validation that the certifying officer submitting the report is an authorized official of the railroad employer for whom the data is being reported and acknowledgment of the penalties that may be imposed for submitting a false or fraudulent report.

**The RRB proposes minor editorial changes to Form G-440 and to remove references to obsolete 3-1/2 diskette media.**

To our knowledge, no other agency uses forms similar to the BA-3, BA-4, BA-4 (Internet), BA-12 or G-440.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction – N/A
4. Efforts to identify duplication and other improvements - This information collection does not duplicate any other information collection.
5. Small business respondents - N.A.

6. Consequences of less frequent collections - Obtaining service and compensation information less frequently would affect the payment of benefits under the RRA and the RUIA. An up-to-date record is essential for the timely and accurate payment of benefits.
7. Special Circumstances - N.A.
8. 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 54812 of the September 2, 2011, Federal Register. No comments were received.
9. Payments or gifts to respondents - None
10. Confidentiality - Privacy Act System of Records, RRB-5, Master File of Railroad Employee's Creditable Compensation. In accordance with OMB Circular M-03-22, a Privacy Impact Assessment for this information collection was 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 current and proposed burden for this collection is as follows.

## Current Burden

Reporting	Responses	Time (minutes) <u>1/</u>	Burden (Hours)
<b>BA-3</b>			
Paper	196	116.85 (7,011 min)	22,903
Electronic Media <u>2/</u>	386	46.25 (2,775 min)	17,852
<b>Total BA-3</b>	<b>582</b>		<b>40,755</b>
<b>BA-4</b>			
Paper	160	1.25 (75 min)	200
Electronic Media <u>2/</u>	285	1.00 (60 min)	285
BA-4 (Internet)	3,852	.33 (20 min)	1,284
<b>Total BA-4</b>	<b>4,297</b>		<b>1,769</b>
<b>BA-12</b>			
Initial Access	300	.33 (20 min)	100
Access Termination	50	.166 (10 min)	8
<b>Total BA-12</b>	<b>350</b>		<b>108</b>
<b>G-440 (certification)</b>			
Form BA-3 (zero employees)	96	.25 (15 min)	24
Form BA-11 (zero employees)	305	.25 (15 min)	76
Paper forms (without recap)	446	.25 (15 min)	112
Electronic transactions	904	.50 (30 min)	452
BA-3 and BA-4 (with recap)	368	1.25 (75 min)	460
<b>Total G-440</b>	<b>2,119</b>		<b>1,124</b>
<b>Grand Total</b>	<b>7,348</b>		<b>43,756</b>

1/ Includes time for accumulating and summarizing the data.

2/ Includes, magnetic tape cartridge, CD-ROM, FTP and secure E-mail.

## Proposed Burden

Reporting	Responses	Time (minutes) <u>1/</u>	Burden (Hours)
<b>BA-3</b>			
Paper	20	116.85 (7,011 min)	2,337
Electronic Media <u>2/</u>	152	46.25 (2,775 min)	7,030
BA-3 (Internet)	410	46.25 (2,775 min)	18,963
<b>Total BA-3</b>	<b>582</b>		<b>28,330</b>
<b>BA-4</b>			
Paper	160	1.25 (75 min)	200
Electronic Media <u>2/</u>	285	1.00 (60 min)	285
BA-4 (Internet)	3,852	.33 (20 min)	1,284
<b>Total BA-4</b>	<b>4,297</b>		<b>1,769</b>
<b>BA-12</b>			
Initial Access	550	.33 (20 min)	183
Access Termination	50	.166 (10 min)	8
<b>Total BA-12</b>	<b>600</b>		<b>191</b>
<b>G-440 (certification)</b>			
Form BA-3 (zero employees)	26	.25 (15 min)	7
Form BA-11 (zero employees)	138	.25 (15 min)	35
Paper forms (without recap)	270	.25 (15 min)	68
Electronic transactions	728	.50 (30 min)	364
BA-3 and BA-4 (with recap)	200	1.25 (75 min)	250
<b>Total G-440</b>	<b>1,362</b>		<b>724</b>
<b>Grand Total</b>	<b>6,841</b>		<b>31,014</b>

1/ Includes time for accumulating and summarizing the data.

2/ Includes, magnetic tape cartridge, CD-ROM, FTP and secure E-mail.

	Responses	Hours
Total Burden Change	-507	-12,742
Program Change	-507	-12,742

13. Estimated annual cost to respondents or record keepers - N.A.
14. Estimate of cost to Federal Government - N.A.
15. Explanation for changes in burden – The estimated overall burden for this information collection is being reduced by 501 responses and 12,742 burden hours, all essentially due to the implementation of the BA-3 (Internet).

The RRB estimates the employers choosing the BA-3 (Internet) filing option versus filing a manual or paper BA-3 will significantly lower their completion time. Though there is no

overall reduction in the amount of BA-3 responses received annually, we estimate there will be a 12,425 hour decrease in overall burden by choosing the Internet option (with its use of prefilled information) versus paper. We have included the change in burden hours (-12,425) in the program change calculation.

As a result of more employers choosing the Internet option, we have increased the amount of responses for form BA-12 (requesting initial access) by +250 responses with a corresponding +83 hours of burden. We have included the increase in burden for form BA-12 in the program change calculation.

The RRB estimates that the use form G-440 will also decrease, largely as a result of the new capability to certify a transaction electronically through the RRB's web-site. We have included the decrease of -757 responses and -400 hours in the program change calculation.

16. Time schedule for data collection and publication - The results of this collection will not be published.
17. Request to not display OMB expiration date - Given the costs associated with redrafting, reprinting, and distributing the forms in this collection in order to keep the appropriate OMB expiration date in place, the RRB requests the authority to not display the OMB expiration date on the forms associated with this collection.
18. Exceptions to Certification Statement - None