

Supporting Statement for Form SSA-7160-F4
Employment Relationship Questionnaire
20 CFR 404.1007
OMB No. 0960-0040

A. Justification

1. **Introduction/Authoring Laws and Regulations** - Section 205(a) of the *Social Security Act (Act)* authorizes the Commissioner of the Social Security Administration (SSA) to establish procedures for carrying out the purposes of the Act. One such purpose is the maintenance of workers' earnings records. To accomplish this, SSA needs to determine workers' employment status as defined in section 210(j)(2) of the Act and 20 CFR 404.1007 of the *Code of Federal Regulations* when their status is uncertain or ambiguous. As defined, a worker is an employee under the "usual common-law rules" applicable in determining the existence of an employer-employee relationship. The respondents are individuals seeking to establish their employment status as employees and their alleged employers. The respondents include individuals, households, businesses, and state and local governments.
2. **Description of Collection** – SSA uses Form SSA-7160-F4, Employment Relationship Questionnaire, to obtain the information we need for determining workers' employee status. The form contains questions covering most employment situations, assisting us in reaching a sound decision about a worker's employment status. The questions have evolved over years of practical application and study, and we have geared them to solicit information on the existence of 20 common-law factors pertinent to resolving employer-employee relationship issues.
3. **Use of Information Technology to Collect the Information** - SSA did not create an electronic version of form SSA-7160-F4 under the agency's Government Paperwork Elimination Act (GPEA) plan because only an estimated 16,000 respondents complete the form annually. This is less than the GPEA cut-off of 50,000.
4. **Why We Cannot Use Duplicate Information** - The nature of the information we are collecting and the manner in which we are collecting it preclude duplication. SSA does not use another collection instrument to obtain similar data.
5. **Minimizing Burden on Small Respondents** - This collection does not significantly affect small businesses or other small entities. While SSA may ask some small businesses to complete the SSA-7160-F4, we keep the burden to a minimum by asking for only essential information.
6. **Consequence of Not Collecting Information or Collecting it Less Frequently** – We require this information collection to maintain accurate earnings records for workers under the Social Security system. If SSA did not collect the information,

then those records would not be accurate. Therefore, we cannot collect it less frequently. There are no technical or legal obstacles that prevent burden reduction.

7. **Special Circumstances** - There are no special circumstances that would cause SSA to conduct this information collection 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 August 10, 2012 at 77 FR 47908, and SSA has received no public comments. We published the second Notice on October 24, at 77 FR 65044. If we receive any comments in response to the 30-day Notice, we will forward them to OMB. We did not consult with the public in the maintenance of this form.
9. **Payment or Gifts to Respondents** - SSA does not provide payments or gifts to the respondents.
10. **Assurance of Confidentiality** - SSA protects and holds confidential the information it collects 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 16,000 respondents take 25 minutes each to complete Form SSA-7160-F4. Accordingly, the estimated annual burden is 6,666 hours. This figure represents burden hours, and we did not calculate a separate cost burden.

Collection Instrument	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)
Individuals	8,000	1	25	3,333
Businesses	7,200	1	25	3,000
State/Local Government	800	1	25	333
Totals:	16,000			6,666

13. **Annual Cost to the Respondent** – There is no known cost burden to the respondents.
14. **Annual Cost to the Federal Government** – There is no cost associated with the use of the SSA-7160 as we reproduce the form locally as needed. We estimate the cost to collect the information to be approximately \$133,667.

15. **Program Changes or Adjustments to the Information Collection Request** - There are no changes to 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 granted SSA an exemption from the requirement to print the OMB approval date on its program forms. SSA produces millions of public-use forms with life cycles exceeding those of an OMB approval. Since SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis), OMB granted this exemption so SSA would not have to destroy stocks of otherwise useable forms with expired OMB approval, thus avoiding Government waste.
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.