

## Justification

**Application for Survivor Death Benefits**

RRB Forms AA-21, AA-21cert, G-273a, AA-11a, and G-131

1. Circumstances of information collection - Under Section 6 of the Railroad Retirement Act (RRA), annuities are payable to surviving widow(er)s, children, and certain other dependents. Lump-sum death benefits are payable after the death of a railroad employee only if there are no qualified survivors of the employee immediately eligible for annuities.

With the exception of the lump-sum residual death benefit, eligibility for survivor benefits depends on whether or not the employee was "insured" under the RRA at the time of death.

If the deceased employee was not "insured," jurisdiction of any survivor benefits payable is transferred to the Social Security Administration (SSA) and survivor benefits are paid by that agency instead of the Railroad Retirement Board (RRB). Regardless of which agency has jurisdiction, the deceased employee's railroad retirement and social security credits are both used for the purpose of benefit computations.

Types of Survivor Benefits

Annuities are payable to widow(er)s and unmarried children. In certain cases, annuities are also payable to dependent parents, remarried widow(er)s, grandchildren, and surviving divorced spouses (OMB No. 3220-0030).

Lump-Sum Death Benefits

If an employee had 10 or more years of railroad service or at least 60 months of railroad service after 1995 and a current connection with the railroad industry, a lump-sum amount may be payable if there is no qualified survivor immediately eligible for an annuity upon the employee's death.

The amount payable depends primarily on whether the deceased employee (1) was credited with 10 years of service prior to January 1, 1975, in which case the average benefit payable is about \$800 or (2) completed 10 years of railroad service after 1974, in which case the lump-sum benefit is almost always \$255.

- If the employee had 10 years of service prior to 1975, the lump-sum amount is payable to the widow(er) who was either living with or supported by the employee at the time of death. If the employee was not survived by a qualified widow(er), the lump-sum amount may be paid to the funeral home or the payer of the funeral expenses, but the amount paid cannot exceed the actual costs involved.
- If the employee completed 10 years of railroad service after 1974, the lump-sum amount is payable only to a widow(er) who was living in the same household as the employee when the employee died. In certain cases, the husband and wife may be found to have been living in the same household, even though one of them was temporarily away from home.

If in the 12-month period beginning with the month of the employee's death, an eligible survivor did not, for any reason, receive monthly benefits totaling at least as much as the lump-sum amount, the difference between the lump-sum amount and the monthly benefits actually paid, if any, is payable to the widow(er) in the form of a deferred lump-sum benefit.

### Residual Lump-Sum Payment

There is an additional death benefit, a residual payment, for which an insured status is not required. The residual lump-sum payment is, in effect, a refund of the deceased employee's pre-1975 railroad retirement taxes plus an allowance in lieu of interest. The residual is reduced for any retirement benefits that have been paid on the basis of the employee's railroad service, and for any survivor benefits previously paid by either the RRB or SSA. Thus, if an employee received an annuity for two or more years, there is little chance that a residual would be payable to his or her survivors.

A residual payment cannot be paid if there is an immediate or future monthly survivor benefit payable. However, a widow(er) or parent who would be eligible in the future can, before attaining age 60, elect to waive future rights to monthly benefits in order to receive the residual payment.

Once the residual payment is made, no further benefits are payable on the basis of the employee's railroad earnings. Furthermore, the widow(er) or parent electing to receive the residual payment also gives up rights to Medicare based on the deceased employee's railroad service.

The residual payment is made to the employee's widow(er), children, grandchildren, parents, brothers and sisters, or estate, in that order of precedence. However, the employee can change the order of precedence by filing Form AA-11a, *Designation or Change of Beneficiary for Employees with Service Prior to January 1, 1975 for Residual Lump Sum*, with the RRB.

The requirements for obtaining and for applying for the benefits are prescribed in 20 CFR 217, 219 and 234.

2. Purposes of collecting/consequences of not collecting the information - The RRB uses the following forms to obtain the information needed to determine the entitlement to, and amount of, various survivor benefits.

**Form AA-21, Application for Lump-Sum Death Payment and Annuities Unpaid at Death**, is used to file for all or any combination of the benefits described above. The form is currently divided into ten sections and has one receipt for claim.

- Section 1 gives general instructions on completing the form.
- Section 2 requests identifying information about the deceased employee and the applicant. Six of the seven items in this section are pre-coded by an RRB office before the form and related materials are released to the applicant.

- Section 3 asks for information about the deceased employee that is used to determine the amount of benefits payable, the insured status at the time of death, and the eligibility of the widow(er) for survivor benefits. Survivor benefits are not payable unless the deceased employee had a current connection with the railroad industry. The requested information, along with related data from SSA, allows an RRB claims examiner to make a current connection determination.
- Section 4 gathers information about the widow(er), if one exists. That information is used to establish the widow(er)'s eligibility for the lump-sum death benefit applied for and also to rule out entitlement to monthly benefits in the month in which the employee died.
- Section 5 asks for information about any surviving children and dependent parents, to rule out entitlement to monthly benefits in the month in which the employee died. Section 5 also questions whether the applicant is the living-with widow(er), funeral home representative, child, parent, grandchild, brother/sister, or half-brother/sister, to determine entitlement to the residual lump-sum payment and any annuities unpaid at death.
- Section 6 asks for information about burial expenses. The detailed financial breakdown allows an RRB claims examiner to apportion the amount of the lump sum appropriately in cases where the burial expenses were paid from more than one source.
- Section 7 secures bank account information that allows for benefit payments to be made directly to an annuitant's bank account.
- Section 8 provides additional space for the continuation of answers to previous questions and/or any additional information that may be relevant.
- Section 9 requests the applicant to certify that all of the information provided on the completed application is correct and that they have received the proper booklets. Section 9 also includes space for two witnesses if the certification is signed by the mark "X."
- Section 10 describes how to return the application by mail; what items on the application must always be completed; and instructions on what to enclose in the return envelope. Section 10 also notifies the applicant to expect a claim receipt within a month after filing.
- Section 11 provides more detailed instructions and explanations about items on the application such as the various definitions of the word "child" that is referenced in Item 43, and lists the requirements for a "child" to obtain an annuity. Section 11 also describes different types of burial and funeral expenses. Since the definitions are long and take up two pages, the applicant is referred to this section during the process of completing the application.

**The RRB proposes no changes to Form AA-21.**

**Form AA-21cert, Application Summary and Certification**, is part of an on-line application process using the Application Express (APPLE) System. Upon completion of the on-line Form AA-21, *Application for Lump Sum Death Payment and Annuities Unpaid at Death*, the APPLE system generates Form AA-21cert, which provides a summary of the application responses and a certification to be signed by the applicant. When an RRB representative interviews an applicant at an RRB field office (preferred), an itinerant point, or by telephone then enters the information into the APPLE system. The on-line AA-21, *Application for Lump Sum Death Payment and Annuities Unpaid at Death*, collects essentially the same information as the manual AA-21, however, it consists of a script or a series of questions. Depending on the responses to the questions, the APPLE system automatically generates the next appropriate question, eliminating the confusion associated with skip patterns (“go to items”) that are on the paper version. The APPLE system automatically pre-fills identifying information in real time from RRB database records onto the on-line screens. The on-line Form AA-21 mirrors the information requested on Form AA-21. However, instead of manually completing Form AA-21, an RRB office representative interviews the applicant and enters the information on-line via the APPLE system. The APPLE system automatically pre-fills identifying information resident in RRB automated systems. Depending on the responses to the questions, the system automatically generates the next appropriate question, eliminating the confusion associated with skip patterns (“go to items”). Upon completion of the on-line application process the APPLE system generates Form AA-21cert. Form AA-21cert is divided into three parts:

- Part 1 summarizes information about the employee.
- Part 2 summarizes information about the applicant.
- Part 3 asks the applicant to certify the responses provided during the interview by signing the application. The certification language includes statements that the information given in relation to the application is true; and that the applicant (1) received and reviewed a summary of the information; received the correct booklets; (2) is obligated to advise the RRB of any errors in that summary; and (4) that the applicant knows that making a false or fraudulent statement is committing a crime punishable under Federal Law.

A footer on each page includes the form number, the page number, and a unique identifier. The unique identifier consists of the employee’s social security number, the application type code and the time and date of generation. After the application is released, Form AA-21rec is provided to the applicant as a receipt, advising the applicant that the processing of the application has begun and provides a general description of the application process. It also provides the telephone numbers of both the field office and headquarters if there are changes that need to be reported.

**The RRB proposes no changes to Form AA-21cert.**

**NOTE: The Paperwork Reduction and Privacy Act notices associated with the AA-21 and AA-21cert application process are included in RRB booklet RB-21.**

**Form G-273a, Funeral Director's Statement of Burial Charges**, is completed by the director of the funeral home which arranged the employee's funeral. The form has the following three functions:

- It serves as proof of death except when the director of the funeral home is applying for the lump sum;
- It provides proof of the total amount of funeral home expenses, the amount of funeral home expenses which have been paid, and identification of the individual who paid the expenses; and
- It is used to certify that the funeral director will return any over-reimbursement to the RRB.

**The RRB proposes no changes to Form G-273a.**

**Form AA-11a, Designation or Change of Beneficiary for Employees with Service Prior to January 1, 1975 for Residual Lump-Sum**, is used by the employee to designate a specific person to receive any residual lump-sum benefit payable after death.

Under the RRA, the residual lump-sum payment is automatically made in the following order to (1) the employee's widow(er), (2) children, (3) grandchildren, (4) parents, (5) brothers and sisters, or (6) the estate. If the employee desires the payment to be made differently Form AA-11a is sent to the employee on request and may be returned to the RRB by mail. Once the designation is made, the employee must file a new Form AA-11a to change the beneficiary.

**The RRB proposes no changes to Form AA-11a.**

Form G-131, Authorization of Payment and Release of All Claims to a Death Benefit or Accrued Annuity Payment, can be filed by instead of Form AA-21 by an eligible person who desires to assign his or her share of a death benefit or unpaid annuities to another eligible applicant providing the share does not exceed \$500. Form G-131 is initiated only when the eligible person expresses a desire to assign his or her share of the benefit. The person is informed of the approximate amount of the share before the form is completed.

Currently, Form G-131a, a form letter joined together with Form G-131, is used as a transmittal letter for the G-131. The respondent detaches Form G-131a which also contains important respondent information from the G-131 before mailing or delivering the completed G-131 to the designated RRB field office.

**The RRB proposes no changes to Form G-131.**

Form AA-21 is similar to and combines information from Form SSA-8-F4 and Form SSA-1724. Form G-273a is comparable to the SSA-721. SSA has no form similar to the G-131 or AA-11a.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction – While we have used information technology (the APPLE, Application Express system which has largely automated the lump-sum application process) to enhance this collection, budgetary and technology constraints prevent us from making further technological improvements at this time.
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 - None
8. Public comments/consultations outside the agency - In accordance with 5 CFR 1320.8(d), comments were invited from the public regarding this information collection. The notice to the public was published on page 31898 and 31899 of the May 30, 2012, Federal Register. No comments or requests for additional information were received from the public.
9. Payments or gifts to respondents - None
10. Confidentiality - Privacy Act System of Records RRB-22, Railroad Retirement, Survivor and Pension Benefit System. 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/PIA/PIA-BPO.pdf>.
11. Sensitive questions - N.A.
12. Estimate of respondent burden – The current and proposed burden for the information collection is as follows:

**Current Burden**

Form Number	Annual Responses	Time (Minutes)	Burden (Hours)
AA-11a	200	10	33
AA-21cert with assistance	5,400	20	1,800
AA-21 without assistance	300	40	200
G-131	600	5	50
G-273a	5,000	10	833
Total	11,500		2,916

**Proposed Burden**

Form Number	Annual Responses	Time (Minutes)	Burden (Hours)
AA-11a	100	10	17
AA-21cert with assistance	4,500	20	1,500
AA-21 without assistance	300	40	200
G-131	600	5	50
G-273a	5,000	10	833
Total	10,500		2,600

	Responses	Hours
Total burden Change	<u>-1,000</u>	<u>-316</u>
Adjustment	-1,000	-316

13. Estimated annual cost to respondents or recordkeepers - N.A.
14. Estimated cost to the Federal Government - N.A.
15. Explanation for change in burden – We have reduced the number of responses for the AA-21cert from 5,400 to 4,500 (-900) and the burden hours from 1,800 to 1,500 (-300). We have also reduced the number of responses for the A-11a from 200 to 100 (-100) and the total burden hours from 33 to 17 (-16). The Residual Lump Sum benefit is being slowly phased out as the population that is eligible to receive a benefit using these forms is diminishing. In addition, we also have more accurate methods of tracking the number of responses to some of our forms. We have reduced the total number of responses from 11,500 to 10,500 (-1,000) and the total burden hours from 2,916 to 2,600 (-316). We have shown the decrease in responses and the corresponding decrease in 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 AA-11a, AA-21, AA-21cert, G-131, G-131a, and G-273a are seldom revised. Given the costs associated with reprogramming, redrafting, reprinting and distributing the forms 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.
18. Exceptions to Certification Statement - None