

Justification

Application for Spouse Annuity Under the Railroad Retirement Act
RRB Forms AA-3, AA-3cert, AA-3sum

1. Circumstances of information collection - Section 2(c) of the Railroad Retirement Act (RRA) provides for the payment of annuities to spouses of railroad retirement annuitants who meet the requirements under the RRA. The age requirements for a spouse annuity depend on the employee's age, date of retirement, and years of railroad service. The following requirements apply if the employee's annuity began after 1974:

- If a retired employee is age 62 with 10-29 years of service, the employee's spouse is also eligible for an annuity at age 62. Early retirement reductions are applied to the spouse annuity if the spouse retires prior to full retirement age.
- If a retired employee is age 60 and credited with 30 years of service, the employee's spouse is also eligible for an annuity at age 60. Early retirement annuity reductions are applied to the spouse annuity if the employee retires before age 62, unless the employee attained age 60 and completed 30 years service prior to July 1, 1984. The reduction is substantially less if the employee met the 60/30 requirement between July 1, 1984, and December 31, 1985.

Also, if a 30-year employee retires at age 62, an age reduction is not applied to the spouse annuity even if the spouse retires at age 60 rather than age 62.

- A spouse of an employee qualified for an age and service annuity is eligible for a spouse annuity at any age if caring for the employee's child and the child is under age 16 or became disabled before age 22. However, a female spouse may continue to receive partial (Tier II only) benefits until the child attains age 18. If the spouse caring for a child is the husband of a female railroad employee, the annuity is, in effect, equal to what social security would pay in the same situation and therefore generally less than the amount of the spouse annuity otherwise payable.

The employee must have been married to the spouse for at least one year, unless the spouse is the natural parent of their child, or the spouse was receiving a railroad survivor annuity before marrying the employee.

A spouse annuity cannot be paid until the spouse stops working for the last railroad employer before retirement, and gives up any rights to return to such employment.

An annuity may also be payable to the divorced spouse of a retired employee if the marriage lasted for at least 10 years, both have attained age 62, and the divorced spouse is not married at the time she or he applies for benefits. The amount of the divorced spouse's annuity is, in effect, equal to what social security would pay in the same situation and therefore less than the amount of the spouse annuity otherwise payable.

The requirements for obtaining the annuities are prescribed in 20 CFR 216, 218, 219, 234 and 295.

2. Purposes of collecting/consequences of not collecting the information - The RRB currently utilizes the following manual and electronic forms to obtain information needed to help determine entitlement to, and the amount of, a spouse or divorced spouse retirement annuity:

Manual Form

Form AA-3, Application for Spouse/Divorced Spouse Annuity, is used to obtain information about the applicant's marital history, work history, benefits from other governmental agencies and Medicare entitlement.

Form AA-3 is designed for self-administration and is completed by an applicant or representative on behalf of an applicant. Items 1-6 are pre-filled by the RRB with identifying information before the form is mailed to the applicant for completion.

Along with the AA-3, the applicant receives an application package that includes an RL-1 transmittal letter and booklets RB-3, Furnishing Evidence to Support your Claim, RB-9, Employee and Spouse Annuities—Events That Must Be Reported, and RB-30, Spouse/Divorced Spouse Annuity. Form G-77a, How Work Affects Your Railroad Retirement Benefits, is included whenever the applicant is under full retirement age. The RL-1 transmittal letter tells the applicant what forms and booklets should be enclosed in the package and what proofs are needed to support the claim. Booklet RB-3 explains the type of documents which can serve as evidence and gives suggestions for obtaining such documents. Booklet RB-9 describes events that could cause changes in entitlement or the amount of an annuity and must be reported after the annuity is awarded. Booklet RB-30 provides important information which the applicant needs to complete an application properly, explains what the RRB does after receiving the annuity application, and contains the Paperwork Reduction Act and Privacy Act Notices associated with the AA-3 application process.

After completing the application, the applicant must read, sign, and date the Certification page, which carries the required fraud language and lists events that could affect their annuity and must be reported to the RRB.

The completed application is then returned to the field office in the pre-addressed return envelope included for that purpose and entered into the APPLE system. After the application is released, Form AA-3rec, Receipt for Claim, is generated and provided to the applicant. The receipt advises that the processing of the application has begun and provides a general description of the application process; a reminder of events that could affect the annuity and must be reported to the RRB; and RRB telephone numbers to report any events or changes.

The RRB proposes the following changes to Form AA-3:

- Delete current item 87, which asks if the application is being filed in September, October, November or December. The information is no longer needed.
- Renumber all items from 87 forward.
- Due to the Department of Treasury's initiative to discontinue issuing paper checks, and to offer alternative payment methods,
 - Modify the title of Section 14 from "Direct Deposit" to "Receiving Your Payments."

- Rewrite the introduction below the Section 14 title to include a reference to the Direct Express® Debit MasterCard®, as a new option and
- move the general description of Direct Deposit from the introduction to above item 117.
- Create **new item 116** to request the applicant choose a method of payment; Direct Deposit, Direct Express® Debit MasterCard®, or Neither if they must continue to receive a paper check for the time being.
- Delete current item 122. Hardship information will no longer be secured by the RRB.
- Other minor editorial changes.

Electronic Forms

Since April 2001, the RRB has used the on-line APPLE (Application Express) system to automate the spouse annuity application (AA-3) process (first approved for use by OMB 3/27/2001). The on-line AA-3 application process is used when an RRB representative interviews an applicant, either at an RRB field office (preferred), an itinerant point, or by telephone, then enters the information into the APPLE system.

The on-line AA-3 collects essentially the same information as the manual AA-3, 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 manual version. The APPLE system automatically pre-fills identifying information in real time from RRB database records onto the on-line screens. Depending on the circumstances, the system also incorporates information currently collected on RRB Form AA-7, *Spouse/Divorce Spouse Application for Medicare* (OMB 3220-0082), and Form G-208, *Public Service Pension Questionnaire* (OMB 3220-0136). The direct entry of the interview data into the APPLE system expedites the payment process, thereby enhancing RRB customer service goals.

The Paperwork Reduction Act and Privacy Act notices associated with the AA-3 on-line process are found in booklet RB-30, *Spouse/Divorced Spouse Annuity*.

Form AA-3cert, Application Summary and Certification, is generated by the APPLE system upon completion of the on-line AA-3 application process, for the applicant to review the information provided or verified, and sign with a traditional pen-and-ink “wet” signature. If the application interview is taken over the telephone, the Form AA-3cert is mailed to the applicant for review and signature. The RRB does not release the application for processing by the payment systems until the signed AA-3cert is returned by the applicant.

Form AA-3cert is divided into three parts:

- Part 1 summarizes information about the employee.
- Part 2 summarizes information about the applicant.
- Part 3 provides for certification and signature of the application and corresponds to Section 16 of the manual Form AA-3. It includes statements that the information given in relation to the application are true; that the applicant received and reviewed a summary of the information they provided; that the applicant received the correct booklets; that the applicant is obligated to advise the RRB of any errors in the

summary they received; and that they know if they make a false or fraudulent statement they are 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 applicant's social security number, the application type code, and the time and date of generation.

The RRB proposes the following changes to Form AA-3cert:

Due to the Department of Treasury's initiative to discontinue issuing paper checks, and to offer alternative payment methods:

- Create new Item 3 to identify applicants who have selected to receive their payments by Direct Express® Debit MasterCard®.
- Since there is no payment method to request paper checks be sent to a home address, reword current Item 4 from "You have requested that any payment due you be sent to the address shown above" to "Any payment due you will be sent to the address shown above."

NOTE: We have included two versions of the proposed Form AA-3cert. One version contains all possible questions. The other version is an example of a completed application, which includes only statements relevant to the application process. The annuitant and any personally identifiable information contained in these two versions are fictitious.

After the on-line spouse application is released, Form AA-3rec, *Receipt for Claim*, is provided to the applicant. The receipt advises that the processing of the application has begun and provides a general description of the application process; a reminder of events that could affect the annuity and must be reported to the RRB; and RRB telephone numbers to report any events or changes.

(Proposed) Form AA-3sum, Application Summary, will be generated by the APPLE system, upon completion of the on-line AA-3 application process, for the applicant to review the information provided or verified, and sign using the alternative signature method, Attestation. Attestation refers to an action taken by an RRB representative to confirm and annotate in the RRB's records (1) the applicant's intent to file an application, (2) the applicant's affirmation under penalty of perjury that the information provided is correct, and (3) the applicant's agreement to sign the application by proxy. If the application interview is taken over the telephone, the Form AA-3sum is mailed to the applicant for review. The RRB does not release the application for processing by the payment systems until 10 days after Form AA-3sum is mailed to the applicant.

Form AA-3sum is divided into three parts:

- Part 1 summarizes information about the employee.
- Part 2 summarizes information about the applicant.
- Part 3, which corresponds to the information provided on Form AA-3rec, provides a general description of the application process; a reminder of the events that could affect the annuity and must be reported to the RRB; and the RRB telephone numbers to report any events or changes.

A footer on each page includes the form number, the page number, and a unique identifier. The unique identifier consists of the applicant's social security number, the application type code and the time and date of generation.

NOTE: Two versions of the proposed Form AA-3sum are attached. One version contains all possible questions. The second version serves as an example of a completed questionnaire which includes only the relevant responses. The annuitant and any personally identifiable information contained in these two versions are fictitious.

In addition to the required review under the Paperwork Reduction Act, proposed Form AA-3sum was reviewed by staff from the RRB's Office of General Counsel (OGC) and Office of the Inspector General (OIG). The OGC's comments were incorporated into the proposed form making it legally acceptable. The OIG provided no comments or objections. Subsequently, the new form has been reviewed and approved for use (pending OMB approval) by the RRB's Board Members.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction - None at the present time. The RRB will submit a request for a new/revised information collection to OMB for approval well in advance of any planned implementation of an Internet version.
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 this information collection. The notice to the public was published on page 1093 of the January 9, 2012, Federal Register. No comments or requests for additional information were received.
9. Payments or gifts to respondents - None
10. Confidentiality - Privacy Act System of Records RRB-22, Railroad Retirement Survivor and Pensioner 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/pdf/PIA/PIA-BPO.pdf>.
11. Sensitive questions - N.A.
12. Estimate of respondent burden - The current and proposed estimated annual burden for the collection is as follows:

Current Burden

Form Number	Annual Responses	Time (Minutes)	Burden (Hours)
Form AA-3cert (with assistance)	10,800	30	5,400
Form AA-3 (without assistance)	250	58	242
Total	11,050		5,642

Proposed Burden

Form Number	Annual Responses	Time (Minutes)	Burden (Hours)
Form AA-3 (Without Assistance)	250	58	242
Form AA-3 (With Assistance)			
Form AA-3cert (Ink Signature)	3,700	30	1,850
Form AA-3sum (Attestation)	7,100	29	3,432
Total	11,050		5,324

	<u>Responses</u>	<u>Hours</u>
Total burden change	-0-	-318
Program change	-0-	-318

13. Estimated annual cost to respondents or record keepers - N.A.
14. Estimate of cost to Federal Government - N.A.
15. Explanation for change in burden - Implementing "Attestation" requires the creation of new Form AA-3sum. We anticipate 7,100 of the 10,800 applicants currently using the AA-3cert to sign in pen and ink, will use "Attestation," resulting in a decrease in the number of Forms AA-3cert used to 3,700. We also propose that using "Attestation" will take one minute less to complete, decreasing the burden by 318, from 5,642 to 5,324. We have shown the decrease in burden hours as a program change.
16. Time schedule for data collection and publication - The results of this collection will not be published.
17. Request not to display OMB expiration date - The AA-3 is seldom revised. Given the costs associated with redrafting, reprinting, and distributing the form in order to keep the appropriate OMB expiration date in place, the RRB requests the authority to not display the expiration date on the form.
18. Exceptions to Certification Statement - None