

**Supporting Statement for Form SSA-L3231-C1
Employer Verification of Records for Children Under Age 7
20 CFR 404.801-404.803, 404.821-404.822**

OMB No. 0960-0505

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 205(a) of the *Social Security Act (Act)* provides the Commissioner of the Social Security Administration (SSA) with the authority to make the rules, regulations, and procedures needed to carry out provisions of the *Act*. Section 205(c)(2)(A) of the *Act* charges the Commissioner with establishing and maintaining records of the amounts of wages paid and the amounts of self-employment income derived by individuals. Sections 20 CFR 404.801-404.802 of the Code of Federal Regulations establish the procedures for implementing the latter section of the *Act*.

Section 20 CFR 404.803 explains SSA records and other evidence SSA uses as proof of the amount of earnings credited to an individual. Sections 20 CFR 404.821-404.822 explain the procedures SSA follows to investigate and correct incorrect earnings.

2. Description of Collection

Under the aegis of the statutes cited above, SSA collects information on Form SSA-L3231-C1 to verify the child workers indicated actually earned the income reported to SSA for workers under the age of seven. SSA discovered that as many as 70 percent of the wage reports we receive for children under age seven are actually the earnings of someone other than the child.

Accordingly, SSA decided we should verify wage reports for children under age seven before posting to the earnings record. The employer completes the printed form and provides information SSA uses to identify the worker and to ensure we credit the proper person with the reported earnings. The respondents are employers who report earnings for children under age seven.

3. Use of Information Technology to Collect the Information

SSA has not currently scheduled the SSA-L3231-C1 for electronic implementation under the agency's Government Paperwork Elimination Act plan due to its low volume usage.

4. Why We Cannot Use Duplicate Information

The nature of the information we are collecting and the manner in which we collect it preclude duplication. SSA does not use another collection instrument to obtain similar data.

5. Minimizing Burden on Small Respondents

This form may affect small businesses if they report earnings for a child under age seven. However, since this is a brief form, and a small business is likely to have very few such workers, the impact of this form on small businesses is relatively insignificant. Additionally, we provide as much identifying information from our records as possible to minimize the burden on the employers completing this form. Thus, this collection does not significantly affect small businesses or other small entities.

6. Consequence of Not Collecting Information or Collecting it Less Frequently

If SSA did not use Form SSA-L3231-C1, we would have no way of determining if the wages reported for a child under age seven were truly earned by that child or if they were actually earned by another worker. If SSA could not make this determination, the agency might improperly post wages to the wrong earnings records. As a result, incorrect entitlement to Social Security benefits could occur. In addition, the workers who actually earned these wages will not receive proper credit for them, and their future Social Security benefits may be incorrect or incorrectly denied. Since we only collect this information occasionally on an as-needed basis, 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 that is not consistent 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 February 7, 2013 at 78 FR 9102 and we received no comments from the public. We published the 30-day Federal Register Notice on April 9, 2013 at 78 FR 21181. If we receive any comments in response to the 30-day Notice, we will forward them to OMB. There have been no outside consultations with members of the public.

9. Payment or Gifts to Respondents

SSA does not provide payments or gifts to the respondents.

10. Assurances 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

We estimate 20,000 respondents will spend 10 minutes each completing the SSA-L3231-C1. Therefore, the total burden is 3,333 hours. The total burden represents burden hours, and SSA calculated no separate cost burden.

13. Annual Cost to the Respondents (Other)

This collection does not impose a known cost burden on the respondents.

14. Annual Cost To Federal Government

The annual cost to the Federal Government is approximately \$30,800. This estimate is a projection of the costs for printing and distributing the collection instruments and for collecting information.

15. Program Changes or Adjustments to the Information Collection Request

There are no changes in 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 expiration 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 usable forms with expired OMB approval dates, avoiding Government waste.

18. Exceptions 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. Collection of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.