

## **Supporting Statement for FERS-RAE Forms Revision**

### **SECTION A. JUSTIFICATION:**

#### **1. Explain the circumstances that make the collection of information necessary.**

Public Law 112-96, Section 5001, the “Middle Class Tax Relief and Job Creation Act of 2012,” makes two significant changes to the Federal Employees’ Retirement System (FERS). First, beginning on January 1, 2013, new employees (as designated in the statute) will have to pay significantly higher employee contributions, an increase of 2.3 percent of salary. Second, new Members of Congress and Congressional employees, in addition to paying higher retirement contributions, will accrue retirement benefits at the same rate as regular employees.

New employees affected by this law will be classified in a new retirement category; the Federal Employees’ Retirement System – Revised Annuity Employees (FERS-RAE). The current Standard Form 2812, Standard Form 2812-A, and OPM Form 1523, will be changed to reflect this additional category.

#### **2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

Both Title 5 of the United States Code (5 U.S.C. Chapters 83, 84, 87, and 89) and Title 5 of the Code of Federal Regulations (5 C.F.R. Parts 831, 841, 870-873, and 890), mandate that the Federal Government contribute to, and account for, withholdings and contributions for Federal employees and retirees when it comes to Retirement, Life, and Health benefits. In turn, they mandate that the Federal Government keep track of cost factors, including the total number of Federal employees, by category.

Specifically, Title 5 of the Code of Federal Regulations mandates that the United States Office of Personnel Management keep track of cost factors and other data for the aforementioned benefits that are then used to calculate individual Federal Agency contributions towards the total cost of benefits for Federal employees in those agencies. In addition, the data collected, is used to keep track of collections and expenditures for the Retirement, Life, and Health funds held in OPM-managed trusts.

OPM collects this information via the following forms: 1) Report of Withholdings and Contributions for Health Benefits, Life Insurance and Retirement (Standard Form 2812); 2) Report of Withholdings and Contributions for Health Benefits By Enrollment Code (Standard Form 2812-A); 3) Supplemental Semiannual Headcount Report (OPM Form 1523).

As mentioned in #1 above, Public Law 112-96, Section 5001, added a new category of Federal Employee, the FERS-RAE category, thereby necessitating a change to the existing forms.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

Method of collection is via forms submitted to OPM. The forms may be submitted via e-mail or fax. This is a legacy process and an electronic collection process is currently being explored. However, in the meantime, collection via forms must continue.

Forms are available for public printing off the Internet and the new versions will be available as well.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

Information collected is unique to the 2812 and Headcount process; they are not collected by any other agency.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

Collection of information will not have a significant impact on small businesses or small entities. The collection of information is strictly limited to those entities that have employees falling under one of the Federal retirement, insurance, or health benefit plans. A limited number of smaller entities such as public universities or cooperatives will be impacted; however, the additional information gathered by the update of the forms to include the new FERS-RAE category, will have a minimal impact on the over-all burden of this long-standing and established collection.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The consequence of not conducting the collection is severe. The collection of this information is mandated by law and used to record the withholdings and contributions for the Federal Retirement, and Health and Life Insurance programs, each pay-period.

In addition, the information gathered in this collection is used by the Federal government to calculate actuarial costs for all of its employees and retirees, and to conduct rate negotiations with health and insurance benefit carriers.

This information is collected only as needed; every period for the 2812 process and bi-annually for the Headcount process.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- This collection does require entities to report 2812 information every pay-period and Headcount information bi-annually, as mandated by law. However, the change to these long-established forms will not increase the frequency of collection.
- Respondents are not prompted to send 2812 information each pay-period; this collection is part of their on-going payroll operations that each entity adheres to.  
Respondents are given several months to prepare a written response to each of the bi-annual collection requests.
- This collection does not require respondents to submit more than an original and two copies of any document.
- This collection does not require respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years.
- This collection does not have a connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study.
- This collection does not require the use of a statistical data classification that has not been reviewed and approved by OMB.
- This collection does not includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.
- This collection does not require respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.**

OPM submitted the following for review by the public: 1) Report of Withholdings and Contributions for Health Benefits, Life Insurance and Retirement (Standard Form 2812); 2) Report of Withholdings and Contributions for Health Benefits By Enrollment Code (Standard Form 2812-A); 3) Supplemental Semiannual Headcount Report (OPM Form 1523).

On June 4, 2013, a 60 Day Federal Register Notice was published at 78 FR 33450. There were no comments received. The document can be at: <https://federalregister.gov/a/2013-13216>.

On August 23, 2013, a 30 Day Federal Register Notice was published at 78 FR 52579. There were no comments received. The document can be found at: <https://www.federalregister.gov/a/2013-20533>.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Not applicable.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

This collection does not collect any personal information such as Social Security numbers or names of individuals; it collects a re-numeration of the number employees falling into certain categories and the dollar amounts associated with the withholdings and contributions associated with those categories, as prescribed by law. The information is not released to the general public; it is used for internal accounting and actuarial purposes and is partially released to health and insurance benefit carriers that provide services to the Federal government, as part rate negotiations and only as it relates to that specific carrier.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

Not applicable.

**12. Provide estimates of the hour burden of the collection of information.**

Total collection burden (entire forms):

Form Name	Form Number	No. of Respondents	No. of Responses per Respondent	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Average Hourly Wage Rate	Total Annual Respondent Cost
Report of Withholdings and Contributions for Health Benefits, Life Insurance, and Retirement	SF-2812	100	26 (per year)	.5	1300	\$28	\$36,400
Report of Withholdings and Contributions for Health Benefits By Enrollment Code	SF-2812A	100	26 (per year)	.5	1300	\$28	\$36,400
Supplemental Semiannual Headcount Report	OPM Form 1523	100	2 (per year)	.5	100	\$28	\$2,800
<b>Total</b>		100	54 (per year)	.5	2700	\$28	\$75,600

Collection burden related to FERS-RAE section of forms only:

Form Name	Form Number	No. of Respondents	No. of Responses per Respondent	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Average Hourly Wage Rate	Total Annual Respondent Cost
Report of Withholdings and Contributions for Health Benefits, Life Insurance, and Retirement – FERS-RAE Section	SF-2812	100	26 (per year)	.05	130	\$28	\$3,640
Supplemental Semiannual Headcount Report FERS-RAE Section	OPM Form 1523	100	2 (per year)	.05	10	\$28	\$280
<b>Total</b>		100	28 (per year)	.05	140	\$28	\$3,920

**13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information.**

Information collection is part of customary and usual business, or private practice, of payroll record keeping.

**14. Provide estimates of annualized costs to the Federal government.**

There are no costs to the Federal government beyond the normal labor costs. This information has been collected as part of existing and long-standing periodic collections;

therefore, no new costs will need to be incurred to capture an additional category of federal retirees.

**15. Explain the reasons for any program changes or adjustments reported on the burden worksheet.**

The program of 2812 and Headcount information collection has not changed, only a new category of federal retirees has been added to existing forms; the FERS-RAE category, in response to P.L. 112-96, Section 5001.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

Not applicable.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

Not applicable.

**18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions,"**

Not applicable.

**B. Collections of Information Employing Statistical Methods**

The collection of this information does not employ statistical methods. The data collected must be precise; sampling will not comply with regulation mandating this collection.