

Supporting Statement

NOTE: Complete Part A for all ICR Requests

SUPPORTING STATEMENT – PART A

A. JUSTIFICATION

1. Need for the Information Collection

Section 707 of the John Warner National Defense Authorization Act for Fiscal Year 2007 added Section 1097c to Title 10. Section 1097c prohibits employers from offering financial or other incentives to certain TRICARE-eligible employees to not enroll in their employer-offered group health plan. In other words, employers may no longer offer TRICARE supplemental insurance plans as part of an employee benefit package. Employers may, however, offer TRICARE supplemental insurance plans as part of an employee benefit package provided the plan is not paid for in whole or in part by the employer (i.e., is non-contributory) and is not endorsed by the employer.

When a non-contributory TRICARE supplemental plan is offered, the employer must properly document that they did not provide any payment for the benefit nor receive any direct or indirect consideration or compensation for offering the benefit. The employer's only involvement is providing the administrative support.

2. Use of the Information

The employer will provide the certification document to the Department of Defense only upon request. The certification document will be used to verify regulatory compliance.

3. Use of Information Technology

The information requested does not require the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

4. Non-duplication

There is no other information collected that would document compliance.

5. Burden on Small Business

No. The documentation requested should be readily accessible to all businesses offering employer sponsored health plans. They can provide whatever document is provided to their employees during open enrollment that lists the plan(s) offered and monthly premium(s).

6. Less Frequent Collection

The data is collected only if DoD is alerted of an employer not complying with the Section 1097c. Non-compliance would normally be identified during the annual open enrollment period or when a new employee is hired.

7. Paperwork Reduction Act Guidelines

Circumstances may require employers to retain records for more than three years. Specifically, at the time an employer offers a non-contributory TRICARE supplemental insurance plan as part of an employee benefit package, the employer must properly document that they did not provide any payment for the benefit nor receive any direct or indirect consideration or compensation for offering the benefit. This certification must be retained in the employer's files for as long as the non-contributory TRICARE supplemental insurance plan is part of their employee benefit package, which could be in excess of three years.

8. Consultation and Public Comments

a. A Notice soliciting comments on this information collection was published in the Federal Register on September 19, 2013, page 57622. No comments were received.

b. We did not consult with any persons outside of TRICARE Policy & Benefits.

9. Gifts or Payment

No payments or gifts have been made to respondents.

10. Confidentiality

No assurance of confidentiality was provided to respondents other than information protected by the Freedom of Information Action.

11. Sensitive Questions

There are no questions or needed information of a sensitive nature required on the employer certification document.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

The estimated number of respondents is 1,500 per year. They would be required to generate the certification document at the time they, as an employer, opt to offer a

non-contributory TRICARE insurance supplement as part of their employee benefit plan. There is no required form or mandated format of the certification; any document proving compliance is acceptable.

b. Labor Cost of Respondent Burden

It is estimated to take about 10 minutes to compose and print the document, or to copy and certify any other supporting document, for a total of 250 annual hours. Based on a wage rate of \$35 per hour, the total cost is \$8,750. Based the \$35/hr on the www.payscale.com website for an Asst HR Manager.

13. Respondent Costs Other Than Burden Hour Costs

There is no submission or filing fee associated with providing this certification to the Department of Defense. There are administrative costs associated with this collection (e.g., the cost of paper, faxing, emailing), but they are minimal (less than \$1 per respondent). We estimate that these administrative costs for respondents, in the aggregate, amount to less than \$1,000.

14. Cost to the Federal Government

The estimated annual cost to the Government is approximately \$720. This estimate is based on the assumption the Government will spend 1 hour requesting and reviewing certification documents per month, at a wage rate of \$60 per hour. Approximate hourly pay for a GS 13/14.

15. Reasons for Change in Burden

There is no change in burden.

16. Publication of Results

The certifications collected will not be published or shared with any other agencies not involved with ensuring employer compliance.

17. Non-Display of OMB Expiration Date

Non-display of the OMB expiration date is not being requested.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

There are no exceptions.