

Supporting Statement for Form SSA-7163
Questionnaire About Employment or Self-Employment Outside the United States
20 CFR 404.401(b)(1), 404.415 and 404.417
OMB Number 0960-0050

A. Justification

1. Introduction/Authoring Laws and Regulations

Per sections 203(b)&(c) of the *Social Security Act (Act)*, as amended by the *Senior Citizens' Freedom to Work Act of 2000*, SSA may make deductions from the monthly Social Security payments of employed and self-employed beneficiaries (other than disability beneficiaries) who are under full retirement age. The provisions of law governing deductions based on work activity also apply to beneficiaries outside the United States. The Commissioner of Social Security authorized the use of Form SSA-7163 to meet the requirements of Sections 203(b)&(c) of the *Act*. The Social Security Administration (SSA) regulations at 20 CFR 404.401(b)(1), 404.415, and 404.417 of the *Code of Federal Regulations* implement these two sections of the *Act*.

2. Description of Collection

SSA collects information on Form SSA-7163 when a Social Security beneficiary or claimant reports work outside the U.S. to determine whether foreign work deductions are applicable. SSA uses Form SSA-7163 to determine: (1) Whether work performed by beneficiaries outside the United States is cause for deductions from their monthly benefits; (2) which of two work tests (foreign or regular test) is applicable; and (3) the number of months, if any, for SSA-imposed deductions. As the respondents are beneficiaries living and working outside the United States, SSA must determine whether the annual earnings test applies to all earnings from work covered by the *Act*, including earnings from covered work performed outside the United States.

However, because of the differences in foreign currency values, it is administratively impractical to apply this test to earnings from non-covered work performed outside the United States and base it on United States dollars. Accordingly, the 45-hour work test provides for deductions from the benefits of employees under full retirement age who engage in non-covered remunerative activity for more than 45 hours in a calendar month. SSA asks beneficiaries working outside the United States to complete this form annually or every other year (depending on the country of residence). Respondents are beneficiaries or claimants for Social Security benefits who are engaged in work outside the United States.

3. Use of Information Technology to Collect the Information

SSA did not create an electronic version of the SSA-7163 under the agency's Government Paperwork Elimination Act (GPEA) plan because only 20,000 respondents complete the form annually. This is less than the GPEA cut-off of

50,000. In addition, while statutory law mandates the information we collect, the numbers of respondents are significantly lower than many other collection instruments designated for electronic implementation. Finally, at this time SSA does not have a system in place for the public to transmit personally identifiable information electronically from overseas. The agency is working to address the issue.

4. Why We Cannot Use Duplicate Information

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

5. Minimizing Burden on Small Respondents

This collection does not 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-7163, we would be unable to collect the necessary information regarding employment or self-employment activity from beneficiaries under full retirement age who live outside the United States. Therefore, SSA would not be able to impose appropriate work suspensions and deductions from Social Security benefits according to the law. Because we only collect this information 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 inconsistent with *5 CFR 1320.5*.

8. Solicitation of Public Comment and Other Consultations with the Public

The 60-day advance Federal Register Notice published on January 30, 2014, at 79 FR 5015, and we received no public comments. SSA published the second Notice on April 22, 2014, at 79 FR 22569. If we receive comments in response to the 30-day Notice, we will forward them to OMB. We did not consult with the public in the revision of this form.

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

Approximately 20,000 respondents take 12 minutes each to complete the SSA-7163 annually. Accordingly, the burden is 4,000 hours. This figure represents burden hours, and we did not calculate a 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 printing and distribution costs for the information collection.

15. Program Changes or Adjustments to the Information Collection Request

There are no changes to 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 useable 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. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.