

**Supporting Statement for Form SSA-L725,
Letter to Employer Requesting Information About Wages Earned by Beneficiary
20 CFR 404.1520, 20 CFR 404.1571-404.1576, 20 CFR 404.1584-404.1593,
20 CFR 416.971-416.976
OMB No. 0960-0034**

A. Justification

1. Introduction/Authoring Laws and Regulations

Social Security disability beneficiaries receive payments based on their inability to engage in substantial gainful activity (SGA) because of a physical or mental condition. If beneficiaries or claimants work, the Social Security Administration (SSA) must evaluate and determine if they meet the disability requirements of the law. We request monthly earnings information from the claimant's employer using form SSA-L725. Sections 223(d) (4), and 1633 of the *Social Security Act* provide the Commissioner of SSA with the authority to create regulations for administering the disability provisions of the law. The appropriate regulations we use to determine whether we consider work activity SGA are contained in sections 20 CFR 404.1520(b), 404.1571-404.1576, 404.1584-404.1593, and 416.971-416.976 of the Code of Federal Regulations.

2. Description of Collection

Social Security disability recipients receive payments based on their inability to engage in substantial gainful activity (SGA) because of a physical or mental condition. If the recipients work, SSA must evaluate and determine if they continue to meet the disability requirements of the law. Therefore, we use Form SSA-L725 to request monthly earnings information from the recipient's employer. We then use the earnings data to determine whether the recipient is engaging in SGA, since work after a recipient becomes entitled to benefits can cause a cessation of disability. The respondents are businesses which employ Social Security disability recipients.

3. Use of Information Technology to Collect the Information

Form SSA-L725 is available on SSA's website as a print-only PDF. SSA did not create an electronic version of form SSA-L725 under the agency's Government Paperwork Elimination Act plan, because the agency prepares the notice by entering case specific data [i.e., employer's name and address, beneficiary's name, address, claim number, and the year(s) for which we need the wage report(s)]. Until we have an Internet system that can pre-fill this information, we cannot create an electronic version.

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 affect small businesses or other small entities. However, if we did not impose this burden, we would be unable to determine proper payment of benefits. We

minimized the burden by carefully reviewing the form and ensuring that we only ask small businesses or entities to complete relevant and necessary questions.

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

We use Form SSA-L725 only when we need evidence of monthly earnings to evaluate work. We cannot obtain the information any less frequently as this could result in overpayments to beneficiaries who continue to receive payments despite engaging in SGA. There are no technical or legal obstacles to 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 September 25, 2014, at 79 FR 57650, and we received no public comments. SSA published the second Notice on December 5, 2014, at 79 FR 72237. 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

We estimate approximately 150,000 respondents take about 40 minutes each to complete the SSA-L725 annually for 100,000 burden hours. This figure represents burden hours, and we did not calculate a separate cost burden.

13. Annual Cost to the Respondents (Other)

The 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 \$231,000. This estimate is a projection of the costs for printing and distributing the collection instrument and for collecting the information.

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. Collection of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.