

Supporting Statement for Form SSA-L4201
Letter to Employer Requesting Wage Information
OMB No. 0960-0138

A. Justification

1. Introduction/Authoring Laws and Regulations

As per statute, the Social Security Administration (SSA) must establish and verify wage data for Supplemental Security Income (SSI) applicants and recipients, along with other factors, for determining SSI eligibility and payment amounts. Sections 1611(c), 1612(a) (1), and 1631(e) (1) of the *Social Security Act* provide SSA the authority to collect the information requested on Form SSA-L4201.

2. Description of Collection

SSA uses Form SSA-L4201 to collect wage data from employers to verify wage information provided by SSI applicants and recipients. SSA uses this data to determine eligibility and proper payment amounts for SSI applicants and recipients. Respondents are employers of SSI applicants and recipients.

3. Use of Information Technology to Collect the Information

SSA solicits the information from employers using the paper Form SSA-L4201. SSA enters the information into the Modernized SSI Claims System (MSSICS). We did not create an electronic version of the SSA-L4201 under the Government Paperwork Elimination Act as SSA prioritized forms with higher usage, and we do not have the resources to work on the lower usage forms at this time. However, as noted in #5 below, we try to collect this information via telephone interview during which the SSA employee records the information using MSSICS. We only send the paper form when we are unable to reach the employers via telephone.

4. Why We Cannot Use Duplicate Information

SSA uses similar forms for Retirement, Survivors, and Disability Insurance (RSDI) purposes. However, those forms are not suitable for SSI purposes because of the difference in the "earned income" information used by the two programs. The amount actually paid in a given month is critical to correct payment for SSI purposes, and the amount earned in a given month is significant for RSDI purposes.

5. Minimizing Burden on Small Respondents

SSA may use the SSA-L4201 to collect wage information from small businesses; however, the employer response is voluntary. Before SSA collects information using the SSA-L4201, we try to minimize the burden on the employer by first attempting to verify past wages (e.g., via employee payroll slips or wage receipts) and estimate future wages using evidence the claimant provides. If payroll slips are unavailable, we accept wage verification from an SSA-approved wage verification company as primary evidence of wages. If the employer has not registered with an SSA-approved wage verification company, SSA contacts the employer to verify wages. SSA does not have a specific data collection form for the collection of information taken by telephone. SSA claims representatives responsible for

obtaining and recording wage information record this information on the paper Form SSA-5002, MSSICS Report of Contact, or on Form SSA-L4201. If SSA is unable to collect wage information from the employer over the telephone, then SSA mails the SSA-L4201 to the employer. Based on the above, this collection does not significantly affect small businesses or other small entities.

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

For SSA to ensure correct payment and minimize overpayment to SSI claimants and recipients, SSA must verify income and information about current wages. The consequence of not collecting this information is an increased potential for incorrect SSI payments. If we updated the wage information less frequently, it could cause an increase in inaccurate payments to recipients. Therefore, we cannot collect this information 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 collect this information 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 provides no payment or gifts to the respondents.

10. Assurance of Confidentiality

SSA protects and holds confidential the information requested we collect 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 133,000 respondents use Form SSA-L4201 annually. The average response time is 30 minutes, for 66,500 total burden hours. The total burden represents burden hours, and SSA did not calculate a separate cost burden.

13. Annual Cost to the Respondent

There is no known cost burden to the respondents.

14. Annual Cost to the Federal Government

The annual cost to the Federal Government is approximately \$614,460. 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 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 useable forms with expired OMB approval dates, avoiding Government waste.

18. Exception 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.