

**Supporting Statement for the SSA-131
Employer Report of Special Wage Payments
20 CFR 404.428-404.429
OMB No. 0960-0565**

A. Justification

1. Introduction/Authoring Laws and Regulations

Based on section 203(f) (5)&(6) of the *Social Security Act (Act)* and 20 CFR 404.428-404.429 of the *Code of Federal Regulations*, the Social Security Administration (SSA) does not count certain payments which are wages for tax purposes under the Social Security Annual Earnings Test (AET). SSA conducts the AET to determine if a beneficiary's earnings are of the annual earnings maximum. SSA reduces the total amount of the monthly benefits payable on earnings records exceeding the maximum we may pay under the *Act*. Often, employers make current payments for work done in a previous year. These special wage payments may appear on employer wage reports (W-2s) and beneficiary earnings reports to SSA even though they do not count when applying the AET. Unless SSA receives prior notification that these wage postings do not count in applying the AET, we use the entire amount on the SSA record to initiate earnings enforcement actions resulting in incorrect benefit adjustments.

2. Description of Collection

SSA collects information on the SSA-131 to prevent earnings-related overpayments, and to avoid erroneous withholding of benefits. SSA field offices and program service centers also use Form SSA-131 for awards and post-entitlement events requiring special wage payment verification from employers. While we need this information to ensure the correct payment of benefits, we do not require employers to respond. The respondents are large and small businesses that make special wage payments to retirees.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act plan, SSA created an Internet version of Form SSA-131. Based on our data, we estimate approximately 30% of respondents under this OMB number use the electronic version.

4. Why We Cannot Use Duplicate Information

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

5. Minimizing Burden on Small Respondents

This collection does not significantly affect small businesses or other small entities. However, we may contact some small businesses when beneficiaries are unable to provide the special wage information needed. We minimize the burden

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

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

If we did not use Form SSA-131, SSA would incorrectly identify about 105,000 beneficiaries as overpaid each year. Because we collect the information on an as needed basis, we cannot collect it less frequently. 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 16, 2016 at 81 FR 63837, and we received no public comments. SSA published the second Notice on November 17, 2016, at 81 FR 81224. 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

Modality of Completion	Number of Respondents	Frequency of Response	Average Burden per Response (minutes)	Estimated Total Annual Burden (hours)
Paper Version: SSA-131 (without #6)	105,000	1	20	35,000
Paper Version: SSA-131 (#6 only)	1,050	1	2	35
Electronic Version: Business Services Online Special Wage Payments	26	1	5	2
Totals	106,076			35,037

The total burden is **35,037 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 \$573,911. This estimate is a projection of printing and distribution costs for the form and the cost of 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. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.

