

SUPPORTING STATEMENT – PART A

Child Annuitant’s School Certification – OMB No. 0730-0001

JUSTIFICATION

1. Need for the Information Collection

The Defense Finance and Accounting Service (DFAS) is given the authority by 10 U.S.C 1435, “Eligible Beneficiaries,” and 10 U.S.C. 1447, “Survivor Benefit Plan,” to offer benefit payments to annuitants between the ages of 18 and 22, or payees under 18 years of age, when attending studies at a recognized education institution. The DoD Financial Management Regulation (FMR) 7000.14, Volume 7B, titled “Military Pay Policy – Retired Pay,” instructs the child annuitant or payee to provide evidence of intent to continue studying or training each semester (or any other period in which the school year is divided). Without this certification, funds cannot be released to annuitant/payee.

2. Use of the Information

The Child Annuitant’s School Certification (DD Form 2788) is generated by the Defense Retired and Annuitant System (DRAS). DRAS identifies the child annuitant prior to their 18th birthday and sends initial mailing. Annuity Pay System downloads child annuitant information into DRAS when retiree is deceased. After the initial mailing, the child annuitant (18 and over) or payee (for child under 18 years of age) receives the form each pre-determined period in which the school is divided. Each semester or other period in which the school year is divided, thereafter, the respondent is required to complete and return via mail, fax or email to the DFAS as indicated on the form. The child will certify as to his or her intent for future enrollment and a school official must certify on the past or present school enrollment of the child. DFAS reviews the completed form and uses the information to determine eligibility and release funds. Respondents are annuitants between the age of 18 and 22, school officials, and payees for the children under age 18.

When notification is sent to child annuitant or payee, a cover letter explaining the need and how respondent may return the requirement documents is sent along with the form. This cover letter is being submitted as part of the OMB submission package.

The form is available on the DoD Forms website (<http://www.dtic.mil/whs/directives/forms/index.htm>). The Privacy Act Statement and Agency Disclosure Notice are available to the respondent on the form.

3. Use of Information Technology

The DD Form 2788 is available in fillable PDF format from the DoD forms repository. Respondents may access the form from the website, print, fax or mail/e-mail the completed form for processing. However, most of the forms are sent to the respondent for completion and returned by mail, with 40% received electronically.

4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

5. Burden on Small Business

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

6. Less Frequent Collection

If DFAS does not receive the information, annuity payments are suspended. The requirement to complete the form ensures annuity eligibility and helps alleviate the opportunity for fraud and abuse of dependent benefits.

7. Paperwork Reduction Act Guidelines

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-day Federal Register Notice for the collection published on Wednesday, February 17, 2016. The 60-Day FRN citation is 81 FRN 8055. No comments were received during the 60-Day Comment Period.

A 30-day Federal Register Notice for the collection published on Friday, February 3, 2017 with the citation 82 FR 9204.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the 60-Day Federal Register Notice was conducted for this submission.

9. Gifts or Payment

No payments or gifts will be offered to respondents as an incentive to participate in the collection.

10. Confidentiality

Respondents are assured confidentiality, to the extent permitted by law, via the Privacy Act Statement at the beginning of the form. DFAS certifies that the information collected is maintained in accordance with the Privacy Act of 1974, and OMB Circular A-130, Management of Federal Information Resources.

The SORN covering this system is titled T7347b, “Defense Military Retiree and Annuity Pay System Records,” and can be found at: <http://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570196/t7347b/>. In addition, DFAS is in the process of updating the SORN — a draft copy of this updated version is included in the submission to OMB.

The PIA covering this collection is titled “Defense Military Retiree and Annuity Pay System Records,” and can be found at: http://www.dfas.mil/dam/jcr:4c735dde-6b84-4f24-8153-bd83643c98b1/PIA_DRAS_2010.pdf

The Records Retention for this collection states that “Disposition for Retired and Annuitant Pay records range from 30 days to 56 years. The administrative records such as, change of address, electronic messages or tax records, that are not pay affecting, are destroyed using retention of 30 days to less than 6 years. All pay affecting documents such as retirement documents, account computation information or entitlement/ eligibility records are retained for six years or more and the pay histories are retained for 56 years. Records are destroyed by tearing, shredding, pulping, macerating, burning, or degaussing the electronic storage media.”

Records retention for these forms is 6 years as stated in the DFAS 5015.2-M, Records Disposition Schedules (<https://dfas4dod.dfas.mil/library/pubs/rmp5015/dfas50152m-signpg.pdf>) under schedule 7347, rule 2.

11. Sensitive Questions

Disclosure of the Social Security Number (SSN) is used for positive identification of the individual requesting benefit. An SSN Justification Memo is being submitted as part of the OMB submission package and has the full listing of all acceptable uses.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

Estimation of Respondent Burden Hours					
	Number of Respondents	Number of Responses per Respondent	Number of Total Annual Responses	Response Time (Amount of time needed to complete the collection instrument)	Respondent Burden Hours (Total Annual Responses multiplied by Response Time) Please compute these into hours)
DD Form 2788, Child Annuitant's School Certification	7200	1	7200	1 hour	7200 hours
Total	7200	1	7200	1 hour	7200 hours

Since different annuitant's are required to submit the application a varying number times per year based on the differing ways in which schools divide up the school year, and since annuitant's may utilize different school administrators between one submission and another, it is easiest to convey each submission as a unique respondent when calculating burden.

b. Labor Cost of Respondent Burden

Labor Cost of Respondent Burden					
	Number of Responses	Response Time per Response	Respondent Hourly Wage (Department of Labor*)	Labor Burden per Response (Response Time multiplied by Respondent Hourly Wage)	Total Labor Burden (Number of Respondents multiplied by Response Time multiplied by Respondent Hourly Wage)
DD Form 2788, Child Annuitant's School Certification (Annuitant or	7200	45 minutes	\$7.25	\$5.44	\$39,168.00

Payee)					
DD Form 2788, Child Annuitant's School Certification (School Administrator)	7200	15 minutes	\$42.59	\$10.65	\$76,680.00
Total	7200	1 hour		\$16.09	\$115,848.00

The “total” number of responses is still 7,200, as each of the 7,200 applications completed by annuitants or payees requires coordination with a school administrator.

* The Respondent (Annuitant or Payee) hourly wage was determined by using the Department of Labor (<https://www.dol.gov/general/topic/wages/minimumwage>), November 22, 2016.

** The Respondent (School Administrator) hourly wage was determined by using the Bureau of Labor Statistics for Post-Secondary School Administrators (<http://www.bls.gov/oes/current/oes119033.htm>), November 22, 2016.

13. Respondent Costs Other Than Burden Hour Costs

The respondent responsible for postage costs to return the form is the child annuitant or payee. The cost is \$2,116.80 (4320 forms (60% of 7200 returned by mail) x \$.49 postage).

14. Cost to the Federal Government

	DD Form 2788, Child Annuitant's School Certification	Total
Number of Responses	7200	7200
Processing Time Per Response (in hours)	.083 (5 minutes)	.083 (5 minutes)
Hourly Wage of Worker(s) Processing Responses (Federal	\$21.05	\$21.05

Salary Table for 2016*)		
Cost to Process Each Response (Processing Time Per Response multiplied by Hourly Wage of Worker(s) Processing Responses)	\$1.75	\$1.75
Total Cost to Process Responses (Cost to Process Each Response multiplied by Number of Responses)	\$12,600.00	\$12,600.00

*This wage statistic was obtained from the Office of Personnel and Management’s 2016 General Schedule, as found at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/GS_h.pdf

Operational and Maintenance Costs						
Equipment	Printing	Postage	Software Purchases	Licensing Costs	Other	Total
\$0	\$432.00	\$3,528.00	\$0	\$0	\$0	\$3,960.00

The printing and postage costs are the costs to print and mail the form to respondents.

Total Cost to the Federal Government		
Operational and Maintenance Costs	Labor Cost to the Federal Government	Total Cost (O&M Costs + Labor Cost)
\$3,960.00	\$12,600.00	\$16,560.00

15. Reasons for Change in Burden

This is a reinstatement with change to an expired collection. The approximate time for filling out the form and obtaining all the documentation increased from 12 minutes to 1 hour. During the previous approval, we did not consider the time needed to obtain school official authorization, time to gather documentation, or the travel time required by the respondent.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.