

SUPPORTING STATEMENT – PART A

Trustee Report – OMB No. 0730-0012

JUSTIFICATION

1. Need for the Information Collection

37 USC, Chapter 11, Section 602, “Payments: Designation of Person to Receive Amounts Due,” gives Defense Finance and Accounting Services (DFAS) the authority to provide this benefit. Department of Defense (DoD) Financial Management Regulation (FMR) 7000.14, Volume 7B, Chapter 16, Paragraph 160207, “Physical or Mental Incapacitation,” states, “The designated trustee submits accounting reports annually or at such times as directed by DFAS. The report is needed to account for funds entrusted to the trustee. These reports must show all funds received, all expenditures made on behalf of the incompetent retiree, and a statement of the condition of the trustee account at the time the report is submitted. The trustee also may be required to provide all receipts, cancelled checks, or voucher accounts, concerning the trustee account. If the trustee fails to report promptly at the end of the accounting period, the appointing authority may either temporarily suspend or terminate further payments to the trustee, and may designate a successor trustee.”

2. Use of the Information

The DD Form 2826, “Trustee Report,” is a required annual accounting report mailed to trustees of mentally incompetent retirees. The report is needed to account for funds entrusted to the trustee. These reports must show all funds received, all expenditures made on behalf of the incompetent retiree, and a statement of the condition of the trustee account at the time the report is submitted.

Trustees are given 30 day suspense to complete and return, by mail, the completed form to address on form. Upon receipt of the form, the DFAS reviews and determines if the funds received by the trustee have been used for the use and benefit of the member. If the form with the completed accounting is found to be in compliance, a letter is sent notifying the trustee that payments will continue. If the form with the completed accounting is not received or there is an indication that the funds have been misused, the retired payments are suspended. Reminder letters are also sent for applicants who have not returned their forms. Notification and reminder letters are being provided as part of the OMB submission package.

Respondents are provided with the Agency Disclosure Notice and Privacy Act Statement (which includes a link to the SORN) at the top of the form, before the instructions.

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

3. Use of Information Technology

0% electronic submissions are received. This is an annual accounting of trustee accounts and the form is mailed to the respondents. DD Form 2826 is available in fillable PDF format from the DoD Forms Repository. Respondents may complete the form online, print and mail the completed form for processing.

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

The collection is conducted annually. Less frequent collection would undermine the accountability of DFAS financial service programs to trustees of mentally incompetent retirees.

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

The 60-Day Federal Register Notice for this collection of information was published on February 17, 2016 in 81 FR 8058. No comments were received during the 60-day comment period.

The 30-Day Federal Register Notice for this collection of information was published on February 23, 2017 in 82 FR 11441.

- Part B: CONSULTATION

There are future plans to consult with key stakeholders regarding the submission process prior to the next OMB approval.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

Respondents are assured confidentiality, to the extent provided by law, via the Privacy Act Statement on 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 related SORN For this information collection is titled “T7347b, Defense Military Retiree and Annuitant Pay System,” and can be found at: <http://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570196/t7347b/>.

The Privacy Impact Assessment covering this system can be found at: http://www.dfas.mil/dam/jcr:4c735dde-6b84-4f24-8153-bd83643c98b1/PIA_DRAS_2010.pdf.

The Records Retention and Disposition Schedule assigned to this collection reads as follows: “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, which 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.”

11. Sensitive Questions

Disclosure of the Social Security Number (SSN) is used for positive identification due to the payment of a benefit. A justification memo is being submitted as part of the OMB submission package.

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 2826, Trustee Report	300	1	300	1 hour	300 hours
Total	300	1	300	1 hour	300 hours

b. Labor Cost of Respondent Burden

Labor Cost of Respondent Burden					
	Number of Responses	Response Time per Response	Respondent Hourly Wage (Federal Minimum Wage*)	Labor Burden per Response (Response Time multiplied by Respondent Hourly Wage)	Total Labor Burden (Number of Responses multiplied by Response Time multiplied by Respondent Hourly Wage)
DD Form 2826, Trustee Report	300	1 hour	\$7.25	\$7.25	\$2,175.00
Total	300	1 hour	\$7.25	\$7.25	\$2,175.00

*The hourly wage cited in the table above is the minimum wage as sourced by the Department of Labor (<https://www.dol.gov/general/topic/wages/minimumwage>).

13. Respondent Costs Other Than Burden Hour Costs

There are no start-up or capital costs, to the respondent. There is a postage cost of \$2.00 per respondent in order for them to return the necessary documentation which comes to \$600.00.

14. Cost to the Federal Government

	Collection Instrument #1	Total
Number of Responses	300	300
Processing Time Per Response (in hours)	1 hour	1 hour
Hourly Wage of Worker(s) Processing Responses (Federal Civil Service 2016 Pay Structure*)	\$28.14	\$28.14
Cost to Process Each Response (Processing Time Per Response multiplied by Hourly Wage of Worker(s) Processing Responses)	\$28.14	\$28.14
Total Cost to Process Responses (Cost to Process Each Response multiplied by Number of Responses)	\$8,442.00	\$8,442.00

*The wage cited above is cited for a GS-11 Step 5 employee, as stated in the 2016 General Schedule (GS) Locality Pay Tables, 2016 General Schedule (Base) (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2016/general-schedule/>).

Operational and Maintenance Costs*						
Equipment	Printing	Postage	Software Purchases	Licensing Costs	Other	Total
\$0	\$18.00	\$147.00	\$0	\$0	\$0	\$165.00

*Operational and Maintenance Costs are for printing and mailing notification letter

Total Cost to the Federal Government		
Operational and Maintenance Costs	Labor Cost to the Federal Government	Total Cost (O&M Costs + Labor Cost)
\$165.00	\$8,442.00	\$8,607.00

15. Reasons for Change in Burden Reason for Change in Burden

This is a reinstatement with change to an expired collection. Previously, 600 respondents were reported and the correct total is 300. Also, 30 minutes was not sufficient time to complete the form. It has been updated to 1 hour. The total 300 hours remain the same.

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.