

Supporting Statement for Form SSA-7157
Farm Arrangement Questionnaire
20 CFR 404.1082(c)
OMB No. 0960-0064

A. Justification

1. Introduction/Authoring Laws and Regulations

We collect this information to ensure we accurately credit self-employment earnings. Section 211(a)(1) of the *Social Security Act (Act)* explains the term net earnings from self-employment, and that it generally excludes rentals from real estate and from personal property leased with the real estate. However, we may include real estate or property may as income if the owner or tenant of the land derives it under an arrangement where the individual is producing agricultural or horticultural commodities, and there is material participation, by owner or tenant, with respect to the agricultural or horticultural commodity. In addition, Section 20 CFR 404.1082(c) of the *Code of Federal Regulations* outlines the procedures SSA uses to determine if income from farm rentals should be included in determining self-employment net earnings.

2. Description of Collection

SSA collects this information as part of the application for benefits. This collection, voluntary for respondents, may affect their monthly benefits or insured status. When self-employed workers submit earnings figures to SSA, they cannot count rental income from a farm they own unless they demonstrate “material participation” in that farm’s operation. A material participation arrangement means the farm owners must perform a combination of physical duties, management decisions, and capital investment in the farm they are renting. SSA uses Form SSA-7157, the Farm Arrangement Questionnaire, to document material participation. The respondents are workers who are renting farmland to others; are involved in the operation of the farm; and want to claim countable income from work they perform relating to the farm.

3. Use of Information Technology to Collect the Information

SSA did not create an electronic version of Form SSA-7157 under the agency’s Government Paperwork Elimination Act (GPEA) plan because only 2,300 respondents completed the form in 2016. This is less than the GPEA cut-off of 50,000.

4. Why We Cannot Use Duplicate Information

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

5. Minimizing Burden on Small Respondents

This collection does not affect small businesses or other small entities.

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

If we did not use Form SSA-7157, self-employed farmers who are renting out farm property and are materially participating in that farm's operation, would have no means of counting income from the farm on their earnings records. Because we collect this information once, SSA 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 March 10, 2017, at 82 FR 13372, and we received no public comments. The 30-day FRN published on May 23, 2017 at 82 FR 23695. If we receive any comments in response to this Notice, we will forward them to OMB.

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

Approximately 2,304 respondents take 30 minutes each to complete the SSA-7157 each year. Accordingly, the burden is 1,152 hours. This figure represents burden hours, and we did not calculate a separate burden cost.

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 approximately \$34,280.00. This estimate is a projection of the costs for collecting the information (since this form is available in an electronic format only, there are no printing and distribution costs associated with this collection instrument).

15. Program Changes or Adjustments to the Information Collection Request

The decrease in burden hours stems from a decrease in the number of respondents. When we last cleared this ICR, we overestimated burden hours. After reviewing our data for 2016, we only collected 2,300 responses. Therefore, we are reducing our burden to reflect our data.

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 will not use statistical methods for this information collection.