

## SUPPORTING STATEMENT - PART A

(Data for Payment of Retired Personnel – OMB Control Number: 0704-XXXX)

### 1. Need for the Information Collection

DD Form 2656, "Data for Payment of Retired Pay" is used by the Department of Defense to collect information regarding a Uniformed Service member's military retired pay and his or her election to participate in and designate beneficiaries under the Survivor Benefit Plan (SBP).

Section 1415 of Title 10, United States Code (U.S.C.), goes into effect on January 1, 2018, allowing an eligible person (meaning a currently-serving member of the Uniformed Services) who is covered by the Blended Retirement System (BRS) to elect to receive a lump sum of retired pay upon his or her retirement. In addition, statutory changes contained in Section 622 of Public Law 115-91, the National Defense Authorization Act (NDAA) for Fiscal Year 2018 (FY18), modify the method of determining coverage under SBP for those members who elect a lump sum of retired pay, effective as of January 1, 2018.

The Department was unable to reasonably meet the timeline for the usual clearance procedures for a public information collection set forth under the Paperwork Reduction Act because the final authority to administer SBP for those members who elect a lump sum of retired pay was not signed into law until December 12, 2017, and the Department could not be certain of the process that would be signed into law until at least November 13, 2017.

Until November 13, 2017, the Department was unable to take action on this form because of uncertainty that the necessary law would pass. The Administration proposed legislation in early 2017 to modify sections 1447 and 1452 of Title 10, U.S.C. to facilitate the election of both the lump sum of retired pay and SBP. The proposed legislation was included in the Senate's version of the NDAA for FY18, but it was NOT included in the House version of the NDAA for FY18. Because of the differences in the House and Senate versions of the NDAA, the Department could not be sure what the correct, legally-compliant process would be for electing both the lump sum of retired pay and SBP. H.R. 2810, as agreed to by the Joint Conference Committee, was released on November 13, 2017. Immediately after it became apparent that the necessary statutory change would be included in the final version of the NDAA for FY18, the Department conducted rapid internal coordination of the necessary changes to this form.

This change to DD Form 2656 is essential for the full and effective implementation of the BRS System on January 1, 2018, as mandated by Congress. In order to implement both statutes, the Department of Defense requests Emergency Approval of a modification to DD Form 2656, "Data for Payment of Retired Pay." The Department of Defense does not currently have a form or legally-sufficient process for enabling an eligible person to elect this lump sum or, after making the election, to elect to cover his or her dependents as

beneficiaries under SBP. Accordingly, the imminent implementation of this law and the exigent circumstances surrounding the late statutory changes to SBP necessitate rapid approval of changes to DD Form 2656.

The authorities for this collection are Title 10, U.S.C., Chapters 71 and 73, DoD Instruction 1332.42, Survivor Annuity Program, and DoD Financial Management Regulation, Volume 7B, Chapter 42.

## 2. Use of the Information

Every uniformed service member of the Department of Defense who retires or reaches the age of eligibility to begin receiving retired pay, in the case of members of the Reserves and National Guard, should voluntarily complete this form to request retired pay, designate beneficiaries, and make a SBP election. The information requested allows the Defense Finance and Accounting Service (DFAS) to establish a retired pay account for that individual, provides a record of that retiree's designation of beneficiaries, allows the retiree (if eligible) to make an election of a lump sum of retired pay, and allows the Service member to make an election to participate in the SBP.

Completion of this form is voluntary. A member who does not complete the form remains eligible to receive retired pay and will be covered under the Survivor Benefit Plan at the default maximum coverage level.

In the most recent calendar year, approximately 65,000 members of the Uniformed Service completed this form. The spouses of retiring members of the Uniformed Services are only required to complete Part V of this form if the Service member declines or reduces his or her level of under the Survivor Benefit Plan.

Individuals routinely complete this form prior to retiring from the military. While not required, the form is usually completed during or subsequent to the member receiving retirement counseling.

In certain situations, a retiring member's spouse may be required to sign the form. This is only required if the Service member is declining coverage under the SBP or electing reduced coverage. Written concurrence by the spouse is required by Section 1448(a)(3) of Title 10, U.S.C.

This form is collected by the Service member's service (agency) and submitted to DFAS (or in the case of the Coast Guard, Public Health Service, or National Oceanic Atmospheric Administration (NOAA), to their applicable pay center) for establishment of a Service member's retired pay account.

Once submitted, DFAS, or the applicable pay center, enters the necessary information in the retired pay system, the member will begin receiving retired pay, his or her beneficiary information will be stored, and his election for SBP will be recorded.

3. Use of Information Technology

This form is always submitted in hard copy, although it may be completed and signed electronically. DFAS is in the process of upgrading its retired and annuitant pay system and will continue seeking avenues to accept and process electronic election forms. Because of the statutory requirement for spouses to sign this form, an electronic signature is not always feasible.

4. Non-duplication

This form requests information that is statutorily required to be recorded at or prior to the date of retirement and which is not resident in any other system.

5. Burden on Small Businesses

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

6. Less Frequent Collection

This form is not used for reporting purposes; it is generally completed just one time by Uniformed Services members upon the occasion of their retirement.

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

No comments were received during the 60-Day Comment Period.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the Federal Register Noticed was conducted for this submission.

9. Gifts or Payment

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

10. Confidentiality

A Privacy Act Statement is required and will be included in the instructions to the form.

The *System of Record Notice (SORN) T7347b* is published at:

<https://www.federalregister.gov/documents/2009/01/07/E9-41/privacy-act-of-1974-systems-of-records>

A Privacy Impact Assessment (PIA) is not required for this collection because PII is not being collected electronically.

11. Sensitive Questions

Social Security Numbers of Service members and their dependents are included on this form. This is required for the following reasons:

- DFAS systems historically track Service members via use of their Geneva Conventions Serial Number
- For interactions with Financial Institutions
- As the Federal Taxpayer Identification Number; and,
- For legacy system interface for Service members who may have served before the establishment of the DoD Identification Number or any other methodology of identifying individuals.

A Social Security Number Justification Memo is included in this package.

12. Respondent Burden and its Labor Costs

a. Estimation of Respondent Burden

1. Data for Payment of Retired Personnel

- a. Number of Respondents: approximately 65,000 per year
- b. Number of Responses per Respondent: 1
- c. Number of Total Annual Responses: 65,000
- d. Response: Approximately 0.25 hour.
- e. Respondent Burden Hours: 16,250 hours

b. Labor Cost of Respondent Burden

1. Data for Payment of Retired Personnel

- a. Number of Total Annual Responses: 65,000
- b. Response Time: 0.25 hours
- c. Respondent Hourly Wage: \$26.34
- d. Labor Burden per Response: \$26.34
- e. Total Labor Burden: \$428,025

The Respondent hourly wage was determined by dividing the average military retiree's annual basic pay (\$54,799) (the average military retiree is an E-7 with 20 years of experience) by 52 weeks and then by 40 hours.

13. Respondent Costs Other Than Burden Hour Costs

There are no annualized costs to respondents other than the labor burden costs addressed in Section 12 of this document to complete this collection.

14. Cost to the Federal Government

a. Labor Cost to the Federal Government

1. Data for Payment of Retired Personnel

- a. Number of Total Annual Responses: 65,000
- b. Processing Time per Response: 15 minutes
- c. Hourly Wage of Worker(s) Processing Responses: \$20.35
- d. Cost to Process Each Response: \$5.09
- e. Total Cost to Process Responses: \$330,850

**2. Overall Labor Burden to Federal Government**

- a. Total Number of Annual Responses: 65,000
- b. Total Labor Burden: \$330,850

b. Operational and Maintenance Costs

- a. Equipment: N/A
- b. Printing: N/A
- c. Postage: N/A
- d. Software Purchases: N/A
- e. Licensing Costs: N/A
- f. Other: N/A
- g. Total: N/A

- 1. Total Operational and Maintenance Costs: \$0
- 2. Total Labor Cost to the Federal Government: \$380,850
- 3. Total Cost to the Federal Government: \$380,850

15. Reasons for Change in Burden

This is an existing collection currently in use without an OMB Control Number. DD Form 2656 was last revised in 2009. An update to the form is required by legislation enacting a lump sum of retired pay option for members covered by the Blended Retirement System. This requirement is found in Section 1415 of Title 10, U.S.C. and was modified by Section 622 of the NDAA for FY18, signed into law on December 12, 2017.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

DoD is 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"

DoD is not requesting any exemptions to the provisions stated in 5 CFR 1320.9.