

**Supporting Statement for Regulations
Coverage of Employees of State and Local Governments
20 CFR Subpart M
OMB No. 0960-0425**

A. Justification

1. Introduction/Authoring Laws and Regulations

State and local employers must file wage reports and pay the related contributions owed to the Social Security Administration (SSA), so state and local employees in positions covered by Social Security receive credit for their covered wages. The Code of Federal Regulations at *20 CFR 404, Subpart M* prescribes the rules for States submitting reports of deposits and related recordkeeping and coverage information to SSA. Prior to 1987, SSA collected all FICA taxes from state and local government entities. These regulations allow us to collect this information.

2. Description of Collection

Under the authority of these regulations, SSA collects this information to post wages to individuals' Social Security earnings records and to perform audit and Trust Fund accounting functions. The respondents are state and local government entities. SSA collects the information as needed. The following is a list of the regulatory sections of the CFR covered in this clearance request:

- 404.1204 - Designating officials to act on behalf of the state: this section requires each respondent to submit the name, title, and address of the designated official, and the extent of the official's authority.
- 404.1215 - Modification of agreement: this section explains how respondents can modify the agreement in writing.
- 404.1216 - Modification of agreement to correct an error: this section explains how respondents can modify an agreement to correct an error.

The respondents are State and local governments or interstate instrumentalities.

3. Use of Information Technology to Collect the Information

Most state and local government entities submit this information electronically as directed in the instructions on the SSA Internet web site. Once a state or local government entity's pre-1987 reporting issue is resolved, the entity must contact its local Social Security office for assistance in processing the correction via paper copy. SSA did not create an electronic way for government entities to correction pre-1987 wage reports under the agency's Government Paperwork Elimination Act (GPEA) plan because there are generally no respondents. This is less than the GPEA cut-off of 50,0000.

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 significantly affect small businesses or other small entities.

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

If SSA did not collect this information, state and local employees in positions covered by Social Security would not get credit for their pre-1987 covered wages. The states determine the frequency of any future need for pre-1987 wage reports and this should be rare. There are no technical or legal obstacles to burden reduction.

7. **Special Circumstances**

There are no special circumstances that would cause SSA to collect this information in a manner that is not consistent with 5 *CFR* 1320.5.

8. **Solicitation of Public Comment or Other Consultations with the Public**

The 60-day advance Federal Register Notice published on May 9, 2018, at 83 FR 21328, and we received no public comments. The 30-day FRN published on July 26, 2018, at 83 FR 35526. If we receive any comments in response to this Notice, we will forward them to OMB. We did not consult with the public in the maintenance of this regulation.

9. **Payments or Gifts to Respondents**

SSA provides no payment or gifts to the respondents.

10. **Assurances of Confidentiality**

We protect and hold confidential the information we are collecting 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 Report Burden**

The following chart shows the burden per regulatory citation:

Regulation Section	Number of Respondents	Frequency of Response	Average Burden Per Response (Hours)	Estimated Total Annual Burden (Hours)
404. 1204 (a) & (b)	52	1	30	26
404.1215	52	1	60	52
404. 1216 (a) & (b)	52	1	60	52
Total	156			130

The total burden for this ICR is 130 hours. We based these figures on current management information data. This figure represents burden hours, and we did not calculate a separate cost burden.

13. **Cost to Respondents**

There is no known cost burden to the respondents.

14. **Annual Cost to the Federal Government**

The annual cost to the Federal Government is approximately \$188,448. This estimate accounts for costs from the following areas: (1) SSA employee (e.g., field office, 800 number, DDS staff) information collection and processing time; and (2) systems development, updating, and maintenance costs.

15. **Program Changes or Adjustments to the Information Collection**

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 Expiration Date**

SSA is not requesting an exemption from the requirement to display an expiration date.

18. **Exception 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 did not use statistical methods for this information collection.