

**Income and Asset Statement in Support of Claim for Pension or Parents'
Dependency and Indemnity Compensation (DIC), VA Form 21P-0969
OMB 2900-0829**

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.

The Department of Veterans Affairs (VA), through its Veterans Benefits Administration (VBA), administers an integrated program of benefits and services established by law for veterans, service personnel, and their dependents and/or beneficiaries. Information is requested by this form under the authority of:

- 38 U.S.C. § 1503 Determinations with respect to annual income
- 38 U.S.C. § 1541 Surviving spouses of veterans of a period of war
- 38 U.S.C. § 1543 Net worth limitation
- 38 U.S.C. § 1315 Dependency and indemnity compensation to parents

In RIN 2900-AO73, VA proposes to amend its pension regulations to maintain the integrity of its needs-based pension program. VA has authority under 38 U.S.C. 501(a) to prescribe all rules and regulations which are necessary or appropriate to carry out the laws administered by VA. VA would amend its information collections in conjunction with RIN 2900-AO73. This rulemaking is largely in response to a Government Accountability Office (GAO) report, GAO-12-50, Veterans' Pension Benefits: Improvements Needed to Ensure Only Qualified Veterans and Survivors Receive Benefits.

2. Indicate how, by whom, and for what purposes the information is to be used; indicate actual use the agency has made of the information received from current collection.

VA Form 21P-0969 will be used by claimants for VA Pension or Parents' Dependency and Indemnity Compensation (DIC) to provide information pertaining to income and assets to establish entitlement to Pension or Parents' DIC. This form will be completed only by those claimants who had income other than Social Security benefits during the calendar year before claiming benefits or who disposed of assets or have significant assets which may affect their entitlement to needs-based benefits.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

For the information collected on VA Form 21P-0969, VA does not use automated, electronic, mechanical, or other technological collection techniques. VA Form 21P-0969 is available on the benefits.va.gov website in a fillable electronic format.

VBA does not currently have the technology in place to allow for the electronic submission of the form. To ease the burden on respondents, VBA plans to develop and deploy functionality enabling electronic submission of this information. VBA cannot estimate the date this functionality will be deployed.

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4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Program reviews were conducted to identify potential areas of duplication; however, none were found to exist. The necessary information is not available from other sources within VA.

Per 38 CFR §3.160(a)(5), a complete claim for Pension claims requires the submission of an application form prescribed by the Secretary that includes a statement of income, to the extent the form itself requires.

Per 38 CFR §3.277(a), As a condition of granting or continuing pension, the Department of Veterans Affairs may require from any person who is an applicant for, or a recipient of, Pension such information, proofs, and evidence as is necessary to determine the annual income and the value of the corpus of the estate of such person, and of any spouse or child for whom the person is receiving or is to receive increased pension (such child is hereinafter in this section referred to as a dependent child), and, in the case of a child applying for or in receipt of Pension in his or her own behalf (hereinafter in this section referred to as a surviving child), of any person with whom such child is residing who is legally responsible for such child's support (Authority: 38 U.S.C. 1506).

Per 38 CFR §3.277(b), Pension claimants and beneficiaries must promptly notify VA of any change affecting Pension entitlement, including changes to income, net worth, dependency status, and nursing home status (Authority: 38 U.S.C. 1506).

VA maintains active data sharing agreements with both the Internal Revenue Service and the Social Security Administration. These agreements allow VA to verify and reconcile claimant-reported income against government source data. However, the latest available data from these sources is the last year for which a Federal income tax return has been filed. Therefore, the data lags real-time by more than one year in some cases. The data also does not provide any information regarding the claimant's assets which VA could use to determine the claimant's entitlement to Pension.

Reviewing both claimant-reported and government-sourced data allows VA to make thorough decisions by identifying and resolving discrepancies. By requiring claimants to report current income, VA is also able to identify any changes to income that occur between the claimant's last Federal tax filing and his/her application for Pension benefits.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The collection of information does not involve small businesses or entities.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

VBA would be unable to properly administer needs-based benefits without this collection of information. The information is collected on an ad hoc basis, and, therefore, cannot be collected less frequently. The form is designed to collect the minimum amount of information which will allow VBA to properly administer the program.

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7. Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study and require the use of a statistical data classification that has not been reviewed and approved by OMB.

There are no special circumstances which would cause this information collection to be conducted more often than quarterly, or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study and require the use of a statistical data classification that has not been reviewed and approved by Office of Management and Budget.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the sponsor's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the sponsor in responses to these comments. Specifically address comments received on cost and hour burden.

The Notice of Proposed Rulemaking was published at 80 FR 3839, on January 23, 2015.

Fifty-one (51) commenters stated VA's application process is too complex, too many forms are required to complete the process, and forms are too long. We appreciate the commenters' concerns regarding the complexity of the application process. We have designed the forms to minimize the burden imposed on the applicant and collect only the information necessary to properly administer the benefit.

Four (4) commenters stated VA should receive the financial data requested in the forms from the Internal Revenue Service (IRS) and/or the Social Security Administration (SSA), based on a claimant's federal tax return documents. VA exchanges data with various federal agencies, including both IRS and SSA, to improve the integrity of the Pension program. However, as stated above, per 38 CFR §3.277 (Authority: 38 U.S.C. 1506), VA may require a claimant to provide information and evidence necessary to determine the claimant's annual income and the value of the corpus of the claimant's estate. Additionally, per 38 CFR §3.160(a)(5), a complete claim for Pension claims requires the submission of an application form prescribed by the Secretary that includes a statement of income, to the extent the form itself requires.

Three (3) commenters expressed concern regarding a disabled individual's ability to understand and complete the forms. We appreciate the difficulty disabled individuals face in completing the forms without assistance, but the information requested on the forms is required to properly administer the pension benefit.

VA received thirteen (13) additional comments which did not contain specific areas of improvement or concern.

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9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts to respondents will be made under this collection of information.

10. Describe any assurance of privacy to the extent permitted by law provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The records are maintained in the appropriate Privacy Act System of Records identified as "Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records-VA (58VA21/22/28)," published at 74 FR 29275 (June 19, 2009).

11. Provide additional justification for any questions of a sensitive nature (Information that, with a reasonable degree of medical certainty, is likely to have a serious adverse effect on an individual's mental or physical health if revealed to him or her), such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private; include specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature.

12. Estimate of the hour burden of the collection of information:

- a. Number of Annual Respondents: 60,000
 - a. This number is based upon reviews of previous claims received by VA which would contain information requiring the submission of this form, namely income other than monthly Social Security benefits, assets more than \$10,000, or a transfer of assets in the three years prior to application (note: When making claim decisions, VA will not consider any asset transfer completed prior to the effective date of the Final Rule, October 18, 2018).
- b. Frequency of Response: One-time
- c. Total Burden Hours: 25,000 hours
- d. Estimated Completion Time: 25.00 minutes (0.41667 hours)
- e. The population of respondents includes school children, working age adults, disabled adults, and elderly adults. Therefore, it is not possible to make assumptions regarding the population of applicants, such as the average age of applicants or their average earnings. In order to estimate the costs to respondents, VBA used general wage information for the population as a whole.

The Bureau of Labor Statistics (BLS) gathers information on full-time wage and salary workers. According to the latest available BLS data, the mean hourly earnings of full-time wage and salary workers is \$24.34 based on the BLS wage code – "00-0000 All Occupations." This information was taken from the following website: (https://www.bls.gov/oes/current/oes_nat.htm, May 2017).

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Legally, respondents may not pay a person or business for assistance in completing the information collection, and a person or business may not accept payment for assisting a respondent in completing the information collection. Therefore, there are no expected overhead costs for completing the information collection. VBA estimates the total cost of all respondents to be \$608,500.00 (25,000 burden hours x \$24.34 per hour).

Mean Wage = \$24.34/hour

Burden Hours per Response = 0.41667 hrs.

Cost per Response = \$24.34/hr. x 0.41667 hrs. = \$10.141667

Total Burden Estimate = \$10.141667/Response x 60,000 Responses = \$608,500.00

13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

The submission does not involve any record-keeping costs.

14. Provide estimates of annual cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operation expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Grade	Step	Burden Time	Fraction of Hour	Hourly Rate	Cost Per Response	Total Responses	Total
5	3	5 Min.	0.0833	\$14.79	\$1.2325	60,000	\$73,950.00
Overhead at 100% Salary							\$73,950.00
9	3	25 Min.	0.41667	\$22.42	\$9.3417	60,000	\$560,500.00
Overhead at 100% Salary							\$560,500.00
11	3	15 Min.	0.2500	\$27.12	\$6.7800	60,000	\$406,800.00
Overhead at 100% Salary							\$406,800.00
Processing / Analyzing Costs							\$2,082,500.00
Printing and Production Cost							\$0.00
Total Cost to Government							\$2,082,500.00

Note: The hourly wage information above is based on the hourly 2018 General Schedule (Base) Pay (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2018/GS_h.pdf). This rate does not include any locality adjustment as applicable.

The processing time estimates above are based on the actual amount of time employees of each grade level spend to process to completion a claim received on this form. The within-grade step (3) of each employee represents the average experience of employees within each grade.

To account for overhead costs and benefits, we factored in additional costs of 100% of employee salary. This is necessarily a rough adjustment, because methods of estimating these costs vary widely from study to study. One such study, from the [Boston Business Journal](#)

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(<http://web.mit.edu/e-club/hadzima/pdf/how-much-does-an-employee-cost.pdf>), references an estimate of overhead costs and benefits as high of 170% of employee salary. Since there is no industry standard for estimating overhead costs and benefits costs based on employee salary, we feel our estimate of 100% of employee salary is reasonable.

15. Explain the reason for any burden hour changes since the last submission.

This form is being created to collect the information necessary to administer the Pension program after the rule is finalized.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The information collected is not for tabulation.

17. If seeking approval to omit the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

We are not seeking to omit the expiration date.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.

This submission does not include any exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

No statistical methods are used in this data collection.