

Supporting Statement for VA Form 21-526EZ, Application for Disability Compensation and Related Compensation Benefits

OMB 2900-0747

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. VA Form 21-526EZ, *Application for Disability Compensation and Related Compensation Benefits*, is used to collect the information needed to process a claim for disability compensation and related compensation benefits (38 U.S.C. 5101). Though, this form was initially created to be used to submit fully developed claims (FDC), it has evolved into a standard claim form to be used for any benefit associated with disability compensation; to include new or initial claims, reopened claims, and claims for increase.

VA Form 21-526EZ is being resubmitted to correct the previous estimate of burden. The publication of RIN 2900-AO81, *Standard Claims and Appeals* final rule on 9/24/2014, required submission of all claims on a standardized form, greatly increasing the total number of respondents. Unfortunately, the previous justification did not include updates to the increase in respondents and burden estimate. This resubmission corrects that error.

Within the new burden estimate, VA has separated out the paper and electronic burdens for tracking/informational purposes as we move to continue improving our electronic claims process.

VBA has increased the burden for VA Form 21-526EZ, due to:

- New or initial claims received,
- Reopened claims received,
- Increased claims received, and
- General program changes, such as regulatory changes and the discontinuance of other claim forms (if any).

This new estimate of respondents has increased the burden estimate.

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 21-526EZ is used to collect the information needed to process claim for disability compensation and related compensation benefits. This form is required for all disability compensation and related compensation benefits claims.

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

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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.

VA Form 21-526EZ, is available on the One-VA web site in a fillable electronic format. VBA is currently hosting this form on a secure server. Validation edits are performed to assure data integrity. There currently is a utility process in place that will allow the data submitted on the form to be incorporated with an existing centralized legacy database. Also, there are several electronic portals available that expedite processing; including eBenefits (transitioning to Vets.gov), Stakeholder Enterprise Portal, Digits-to-Digits, and Enterprise Veterans Self Service. It is estimated that within the next three years, the number of claims received electronically will increase. This increase reduces the estimated time to complete the form.

- 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. There is no known Department or Agency which maintains the necessary information, nor is it available from other sources within our Department.

- 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.**

VA Form 21-526EZ is used to collect the information needed to process claim for disability compensation and related compensation benefits. This form is required for all disability compensation and related compensation benefits claims.

- 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 is no special circumstance requiring collection in a manner inconsistent with 5 CFR 1320.6 guidelines.

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- 8. A. 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 Department notice was published in the Federal Register on November 20, 2018, Volume 83, No. 224, pages 58690 and 58691. One comment was received in response to this notice.

See attached supplemental document for the comments received and the responses provided by the VBA.

- 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 have been 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 on June 19, 2009, and last amended at 84 FR 4138 (February 14, 2019).

- 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. Total number of Respondents is estimated at 1,360,000 per year.
Estimated paper respondents¹: 952,000
Estimated electronic respondents²: 408,000

Note 1: This estimate was derived by averaging claims received within fiscal years 2016 and 2017 and subtracting out the claims for pension and survivor benefits.

Note 2: VA estimates that 30 percent of claims received are through the online electronic portals.

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b. Frequency of Response is once.

c. Total annual burden is 498,667 hours.

Estimated paper burden is 396,667 hours.

Estimated electronic burden is 102,000 hours.

d. The total estimated average time to complete this data collection is 25 minutes for the paper form and 15 minutes for the electronic version.

The average burden estimated due to the 70/30 split as depicted in 12a, totals 22 minutes.

e. The respondent population for VA Form 21-526EZ is composed of individuals gathering the necessary information for disability compensation claims, both in paper form and electronically. VBA cannot make further assumptions about the population of respondents because of the variability of factors such as the educational background and wage potential of respondents. Therefore, VBA used general wage data to estimate the respondents' costs associated with completing the information collection.

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 wage 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/2017/may/oes_nat.htm#00-0000.

Legally, respondents may not pay a person or business for assistance in completing the information collection. Therefore, there are no expected overhead costs for completing the information collection. VBA estimates the total cost to all respondents to be \$12,137,554.80 (498,667 burden hours x \$24.34 per hour).

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).

This submission does not involve any recordkeeping 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.

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Estimated Costs to the Federal Government:

Grade	Step	Burden Time	Fraction of Hour	Hourly Rate	Cost Per Response	Total Responses	Total
7	3	30	0.50	\$18.32	9.160	1,360,000	\$ 12,457,600.00
Overhead at 100% Salary							\$ 12,457,600.00
9	3	15	0.25	\$22.42	5.605	1,360,000	\$ 7,622,800.00
Overhead at 100% Salary							\$ 7,622,800.00
11	3	15	0.25	\$27.12	6.780	1,360,000	\$ 9,220,800.00
Overhead at 100% Salary							\$ 9,220,800.00
Processing / Analyzing Costs							\$ 58,602,400.00
Printing and Production Cost							\$ 651,137.78
Total Cost to Government							\$ 59,253,537.78

Overhead costs are 100% of salary and are same as the wage listed above and the amounts are included in the total.

Printing and production costs is an approximation of the cost of printing this information collection per year. (Processing/Analyzing Cost total divided by \$90).

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.

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

There is an increase in the reporting burden.

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16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be

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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 collection is not for publication or tabulation use.

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 approval to omit the expiration date for OMB approval.

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 contain any exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

No statistical methods are used in this data collection.