

Supporting Statement for Forms SSA-7161-OCR-SM and SSA-7162-OCR-SM
Report to United States Social Security Administration by Person
Receiving Benefits for a Child or for an Adult Unable to Handle Funds;
Report to United States Social Security Administration
OMB No. 0960-0049

A. Justification

1. Introduction/Authoring Laws and Regulations

Sections 203(c) and 203(g) of the *Social Security Act (Act)* require the Commissioner of Social Security to make benefit deductions and provide for the Commissioner to impose penalty deductions on benefits of individuals who fail to make timely reports of events, which are cause for deductions. Section 205(a) of the *Act* empowers the Commissioner to determine an individual's continuing eligibility for benefits. In addition, the U.S. District Court for the Western District of Oklahoma ordered the Commissioner to obtain universal, mandatory annual accountings from all representative payees (*Jordan v. Heckler, Civ-79-994-W*). Sections 205(j) and 1631(e)(1)(A) of the *Act* establish the requirement for the agency to set up a monitoring system for representative payees, and Section 102 amends sections 205(j)(3) and 1631(a)(2)(c) of the *Act* from certain rep payee accounting requirements. Because of the above laws, the Social Security Administration (SSA) uses Forms SSA-7161-OCR-SM, Report to United States Social Security Administration by Person Receiving Benefits for a Child or for an Adult Unable to Handle Funds, and SSA-7162-OCR-SM, Report to the United States Social Security Administration, to collect the above information from respondents who live outside the United States.

2. Description of Collection

U.S. citizens and noncitizens who meet certain eligibility requirements can receive Old-Age, Survivors and Disability Insurance (OASDI) while living abroad. As of 12/2017 there were approximately 677,712 OASDI beneficiaries residing in foreign countries and receiving about \$437 million in monthly benefit payments (about \$5.2 billion, annually). As of 12/2017, representative payees were serving about 42,000 beneficiaries residing in foreign countries. Because of some of the specific eligibility requirements related to receiving OASDI benefits while living abroad, the Foreign Enforcement Program within SSA uses various methods to monitor continuing eligibility.

SSA uses the Foreign Enforcement Questionnaires (FEQ) associated with this information collection request to contact these beneficiaries and representative payees annually or biennially to ensure beneficiaries are alive and to determine whether there have been any unreported events. The Agency sends beneficiaries receiving their own benefit payments a Form SSA-7162, *Report to United States Social Security Administration*, annually or biennially, depending on their age, country of residence, and benefit type. SSA employees review the responses to the questions that solicit information about factors of entitlement to Social Security (e.g. marital status,

earnings or self-employment, death, etc.) to determine whether SSA entitles, suspends, or terminates an individual's benefits.

Each year, SSA sends representative payees of beneficiaries living abroad a Form SSA-7161, *Report to United States Social Security Administration by Person Receiving Benefits for a Child or for an Adult Unable to Handle Funds*, to complete on behalf of the overseas beneficiaries they serve. Like SSA-7162-OCR-SM, SSA-7161-OCR-SM is used by SSA to: (1) determine continuing entitlement to Social Security benefits; (2) correct benefit amounts for beneficiaries outside the United States. Additionally, the SSA-7161-OCR-SM monitors the performance of representative payees outside the United States and collects representative payee accounting information.

This collection is mandatory as an annual (or every other year, depending on the country of residence) review for fraud prevention, as per the requirements of the Social Security agreements SSA holds with each participating country. The responses to either of the forms can affect whether SSA continues, increases, or decreases the payment amount. SSA employees collect this information via paper form.

Both of these forms are used exclusively for overseas-based beneficiaries and, when applicable, their representative payees. Information collections related to US-based representative payees are covered under separate OMB control numbers. (OMB 0960-0068 (includes the SSA-623, SSA-6230 and SSA-6234), OMB 0960-0576 (includes SSA-6233) and OMB 0960-0069 (includes the SSA-624).

In most recent years, approximately 12-15 percent of respondents to SSA-7162-OCR-SM and 25 percent of respondents to SSA-7161-OCR-SM have failed to respond to the initial FEQ mailer and have required a follow-up mailing. Ultimately, approximately 5-6 percent of respondents to SSA-7162-OCR-SM and 10-11 percent of respondents to SSA-7161-OCR-SM have had their benefits suspended because of failure to respond. For 2019, 87% percentage of individuals with suspended benefits were ultimately reactivated. The agency does not track data pertaining to the number of fraudulent cases identified via this collection. The respondents are individuals living outside the United States who are receiving benefits on their own (in the case of SSA-7162-OCR-SM) or (in the case of SSA-7161-OCR-SM) or on behalf of someone else under Title II of the Act.

3. Use of Information Technology to Collect the Information

SSA mails and tracks receipt of the paper Foreign Enforcement Questionnaire (FEQ), Forms SSA-7161-OCR-SM and SSA-7162-OCR-SM, to the beneficiaries or their representative payees. It is the agency's opinion that it is necessary to use exclusively a mail-based paper form as the only mechanism for receipt and submission of this information collection because of the high risk of potential fraud in the majority of the countries where these individuals reside, and because of the risk for abusing the

system. We continually complete vulnerability assessments to determine such fraud risks per country.

The Foreign Enforcement Program (FEP) is one of the most important integrity measures we have at the Social Security Administration (SSA) to verify the existence and identity of beneficiaries living outside the United States. The use of paper forms also ensures respondents are residing in countries with which we hold Social Security agreements (as we cannot legally send payments to countries with which we have no agreement). The agency acknowledges that a respondent could have their mail forwarded to an alternative address than the one SSA believes the respondent resides at and that the agency does not have any way to validate that a responder received the mailer at their listed address. However, the agency believes this risk is significantly lower than what might occur if this collection were conducted electronically.

Moreover, the agency does not believe there is any mechanism for submitting this information electronically that would provide satisfactory evidence of a respondent's residence. The agency does not believe that uploaded supporting documentation for proof-of-address, such as a copy of a respondent's prior-year tax return, an identification card, or recent bills, provides an equivalent level of fraud prevention relative to a mailed-in FEQ. The agency believes that allowing beneficiaries to complete the FEQs electronically online would sacrifice our only method of keeping track of the physical presence of beneficiaries and would put the integrity of the foreign Social Security program at risk. Until we have the means to ensure that the level of fraud associated with accepting responses over the Internet is equal to or less than the level of fraud associated with mailed-in response, we cannot create an electronically submit-able version of these forms.

Finally, even if the agency believed that there was an opportunity to conduct this collection electronically, the agency does not currently have the planned resources to incorporate this collection electronically.

To make it easier for respondents, we created fillable PDF versions of these forms for respondents to complete, print, and send to SSA, which we can send to them upon request. SSA has fillable PDF versions of these forms available internally for SSA technicians and Foreign Benefit Unit personnel to complete, print, and send to SSA on behalf of the beneficiary. We also include a pre-paid envelope for the respondents to use when submitting the forms to SSA.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the manner in which we collect it preclude duplication. SSA does not use another instrument to obtain similar data from respondents residing in foreign countries.

5. Minimizing Burden on Small Respondents

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

- 6. Consequence of Not Collecting Information or Collecting it Less Frequently**
Forms SSA-7161-OCR-SM and SSA-7162-OCR-SM gather information about events and changes in circumstances that might affect entitlement to Title II benefits, or eligibility for payment of such benefits, from beneficiaries living outside the United States. There is less likelihood of learning about such events and changes in circumstances that might affect entitlement to Title II benefits for beneficiaries living outside the United States since it is often more difficult for these beneficiaries to self-report. Additionally, SSA-7161-OCR-SM serves as the tool for annual accountability by representative payees who live outside the United States. Not collecting information using Forms SSA 7161-OCR-SM and SSA-7162-OCR-SM, could result in improper payments and overpayments. We require annual completion of Form SSA-7161-OCR-SM because annual accountability by representative payees is mandated by 42 USC 405(j)(3)(A).

Based on the authority in 42 U.S.C. 405, we established policy for annual reporting by beneficiaries outside the United States for those in certain categories or living in certain countries where we have determined such events are more likely or that there is a lower likelihood that we would receive such information in a timely manner. We have established policy to require bi-annual reporting from beneficiaries living in certain countries or fit into categories where there is a higher likelihood of getting this information more timely. 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 June 4, 2019 at 84 FR 25891, and we received no public comments. SSA published the second Notice on August 13, 2019, at 84 FR 40121. If we receive comments in response to the 30-day Notice, we will forward them to OMB. We did not consult with the public in the revision of this form.

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

The following chart shows the public reporting burdens for the SSA-7161-OCR-SM and the SSA-7162-OCR-SM:

Modality of Completion	Number of Respondents	Frequency of Response	Average Burden per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost Amount (dollars)*	Total Annual Opportunity Cost (dollars)**
SSA-7161-OCR-SM	42,314	1	15	10,579	\$22.50*	\$238,028**
SSA-7162-OCR-SM	426,448	1	5	35,537	\$22.50*	\$799,583**
Totals	468,762			46,116		\$1,037,611**

* We based this figure on average U.S. worker's hourly wages.

** This figure does not represent actual costs that SSA is imposing on recipients of Social Security payments to complete this application; rather, these are theoretical opportunity costs for the additional time respondents will spend to complete the application. **There is no actual charge to respondents to complete the application.**

The total burden for this ICR is **46,116** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$1,037,611**. SSA does not charge respondents to complete our applications.

13. Annual Cost to the Respondents (Other)

This collection does not impose a known cost burden to the respondents.

14. Annual Cost To Federal Government

The annual cost to the Federal Government is approximately \$1,118,000. This estimate accounts for costs from the following areas: (1) designing, printing, postage, and distributing the form; (2) SSA employee (e.g., field office, 800 number, DDS staff, embassy staff, etc.) information collection and processing time.

15. Program Changes or Adjustments to the Information Collection Request

The respondents for SSA-7161-OCR-SM are representative payees; while the respondents for the SSA-7162-OCR-SM are the individual beneficiaries who do not require representative payees. When we last cleared this IC in 2016, the burden was 43,412. However, we are currently reporting a burden of 46,116. This change stems from an increase in the number of responses from 436,595 to 468,762. There is no change to the burden time per response. Per our records, the number of responses changed because the beneficiary population living outside the United States increased. SSA did not take any actions to cause this change.

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 does not use statistical methods for this information collection.