

**Supporting Statement for Form SSA-131
Employer Report of Special Wage Payments
20 CFR 404.428-404.429
OMB No. 0960-0565**

A. Justification

1. Introduction/Authoring Laws and Regulations

Based on Sections 203(f)(5)&(6) of the *Social Security Act (Act)* and 20 CFR 404.428-404.429 of the *Code of Federal Regulations*, the Social Security Administration (SSA) does not count certain payments which are wages for tax purposes under the Social Security Annual Earnings Test (AET). SSA conducts the AET to determine if a beneficiary's earnings are of the annual earnings maximum. SSA reduces the total amount of the monthly benefits payable on earnings records exceeding the maximum we may pay under the *Act*. Often, employers make current payments for work done in a previous year. These special wage payments may appear on the employer wage reports (W-2s), and beneficiary earnings reports to SSA, even though they do not count when applying the AET. Unless SSA receives prior notification that these wage postings do not count in applying the AET, we use the entire amount on the SSA record to initiate earnings enforcement actions resulting in incorrect benefit adjustments.

2. Description of Collection

SSA collects information on the SSA-131 to prevent earnings-related overpayments, and to avoid erroneous withholding of benefits. SSA field offices and program service centers also use Form SSA-131 for awards and post-entitlement events requiring special wage payment verification from employers. In the event an employer is unable to report nonqualified deferred compensation or section 457 plan payments and deferrals (contributions) on Form W-2, because both payments and deferrals occurred during the year, we require them to show the amount of wages earned by the employee during the tax year in question #6. While we need this information to ensure the correct payment of benefits, we do not require employers to respond to #6. In fact, most of the respondents do not answer the optional #6 unless we specifically request they answer it, and, in those cases, we ask that the employers answer only #6 (as shown in #12 below). The respondents are large and small businesses that make special wage payments to retirees.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act plan, SSA created an Internet version of Form SSA-131, the Special Wage Reporting Business Services Online Screens, <https://www.ssa.gov/bsowelcome.htm>. Based on our data, we estimate approximately 30% of respondents under this OMB number use the electronic version to submit this information.

			(minutes)	(hours)	Amount (dollars)*	(dollars)**	Office (minutes) ***	(dollars) **
Paper Version: SSA-131 (without #6)	105,000	1	20	35,000	\$36.65*	\$1,282,750**	24***	\$880**
Paper Version: SSA-131 (#6 only)	1,050	1	2	35	\$36.65*	\$1,283**	24***	\$880**
Electronic Version: Business Services Online Special Wage Payments	26	1	5	2	\$36.65*	\$73**	0	0
Totals	106,076			35,037		\$1,284,106**		\$1,760**

* We based this figure on average Budget Analysts hourly salary, as reported by Bureau of Labor Statistics data, at: <https://www.bls.gov/oes/current/oes132031.htm> .

** 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.**

*** We based this figure on the average FY 2020 wait times for field offices, based on SSA’s current management information data.

The total burden for this ICR is **35,037** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$1,284,106**. 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 on the respondents.

14. Annual Cost To Federal Government

The annual cost to the Federal government is \$578,711. This estimate accounts for costs from the following areas: (1) designing, printing, and distributing the form; (2) SSA employee (e.g., field office, 800 number, DDS staff) information collection and processing time; and (3) systems development, updating, and maintenance costs.

15. Program Changes or Adjustments to the Information Collection Request

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 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.