

**Supporting Statement for Advance Designation of Representative Payee
Form SSA-4547
OMB No. 0960-NEW**

A. Justification

1. Introduction/Authoring Laws and Regulations

On April 13, 2018, the President signed into law *The Strengthening Protections for Social Security Beneficiaries Act of 2018*, also known as *Public Law (Pub.L.) 115-165*. Section 201 of the law allows SSA beneficiaries and applicants under Title II, Title VIII and Title XVI, of the *Social Security Act* to designate individuals to serve as a representative payee should the need arise in the future. Section 201(j)(2) of *Pub.L 115-165* provides requirements for selecting a qualified representative payee. *Pub.L 115-165* authorizes the Commissioner of the Social Security Administration (SSA) to offer the option of advance designation only to capable adults and emancipated minors. Beneficiaries who have an assigned representative payee, or have a representative application in process, cannot advance designate.

2. Description of Collection

We created a new form, the SSA-4547, Advance Designation of Representative Payee, to enable advance designation. Specifically, beneficiaries or applicants use this form (or the accompanying screens) to designate individuals in order of their desired priority, to serve as a representative in case one is needed in the future. Beneficiaries or applicants can update or change the advance designee order of priority at any time. SSA uses the information on Form SSA-4547 to select a qualified representative payee in order of priority. If the selected representative payee is unable or unwilling to serve, or is unable to meet SSA's existing requirements for qualifying as a representative payee, SSA will select another representative payee to serve in the beneficiaries' and applicants' best interest. SSA will notify beneficiaries annually of the individuals they chose in advance to be their representative payee. The respondents are SSA beneficiaries and applicants who want to choose an advance designate representative.

3. Use of Information Technology to Collect the Information

SSA created a paper Form SSA-4547 that is available in a fillable, printable portable document format (PDF) version. SSA will only mail the SSA-4547, or give it as a handout, upon request, to individuals who prefer to provide their advance designation using the paper form. SSA will enter the advance designee information provided on the SSA-4547 Intranet version (SSI Claims System; MCS; and iMAIN screens).

In accordance with the agency's Government Paperwork Elimination Act plan, SSA also created an Internet version of Form SSA-4547 (i4547), which is accessible through iClaim (OMB Control #0960-0618), and mySSA (authenticated through OMB Control #0960-0789). Based on our data, we estimate

approximately 99% of respondents under this OMB number will use the electronic version.

Due to systems limitations, Form SSA-4547, and its equivalent electronic modalities, can only accommodate up to three advance designees. If we receive significant amounts of feedback from the public indicating they want to designate more than three individuals, we will explore the possibility of modifying our systems in the future, pending resolution of systems limitations.

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 collect advance designation information using any other methods than those described in this statement.

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**

If we did not use form SSA-4547, beneficiaries and applicants would not have a method of designating individuals in advance, in order of priority, to serve as a representative. Because we collect the information on an as needed basis, we cannot collect it less frequently. 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 August 13, 2019, at 84 FR 40121, and we received the following public comments:

- *Comment:* A commenter stated that this is not a good idea, and SSA should invest this time for current assignments such as processing claims; answering calls; and processing appeals for possible future benefits. The commenter is also concerned that an individual designating his or her spouse may not remember to request a change prior to a divorce, or remarrying.
 - *SSA Response:* Section 201 of the *Strengthening Protections for Social Security Beneficiaries Act of 2018* requires that SSA offer advance designation to qualified beneficiaries and applicants for Social Security benefits. We acknowledge that relationships can change over time. While we give first consideration to the beneficiaries' advance designees, ultimately, SSA will select a payee who will be in the best interest of the beneficiary.

- *Comment:* A commenter stated there are people who want to change their payee, and people are supposed to give feedback on who they might want if they ever need a payee, 5, 10, or 20 years from now. The commenter has concerns about how many hours and tax dollar we are wasting on this idea.
 - *SSA Response:* Section 201 of the *Strengthening Protections for Social Security Beneficiaries Act of 2018* requires that SSA offer advance designation to qualified beneficiaries and applicants for Social Security benefits. We are working to implement this legislative mandate in a cost-effective manner.

- *Comment:* A commenter stated that the majority of their clients are nonverbal, and are in critical care. The commenter had several questions:
 1. Will their guardians have to open a mySSA account to designate a representative payee?
 2. Does the rule mean the organization can no longer act as a representative payee for a disabled client residing in homes providing care to those disabled clients?
 3. How does this apply to individuals who cannot designate due to mental incapacity such as Alzheimer’s or dementia, and is this done through a Power of Attorney?
 - *SSA Response:* Section 201 of the *Strengthening Protections for Social Security Beneficiaries Act of 2018* allows SSA beneficiaries and claimants to advance designate individuals who they prefer to serve as a representative payee should the need arise in the future. We will publish regulations explaining how individuals may advance designate, and how we will consider an individual’s advance designation when we select a representative payee. Claimants and beneficiaries who are legally incompetent or incapable under our rules are not eligible to advance designate. Under the statute, an individual may not advance designate an organization; however, this does not mean that an organization cannot serve as a representative payee. Section 201 does not prohibit organizations from serving as representative payees. Under our rules, we would likely find individuals who are mentally incapacitated by Alzheimer’s, dementia, or a similar condition to be incapable of managing or directing the management of their benefits. Individuals who are incapable of managing their own benefits are ineligible to advance designate.

- *Comment:* A commenter suggested that we include a statement indicating that a beneficiary may only have one representative payee at any time. Additionally, the commenter suggested that we include another statement explaining that representative payees have the authority only to manage benefits received from SSA.

- o *SSA Response:* We appreciate the suggestions to provide additional clarifications about the selection and duties of a representative payee. However, we are declining to adopt these changes at this time. In developing the SSA-4547, Advance Designation of Representative Payee, and its accompanying screens, we conducted extensive usability testing. This testing revealed that carefully tailoring the information presented was important to minimizing confusion. Accordingly, we are choosing to limit the amount of information shown on the form and screens. We plan, however, to address these issues in our instructions and training for technicians, and in our communications with the public about advance designation.

SSA published a notice of proposed rulemaking (NPRM) in the Federal Register on November 26, 2019 at 84 FR 65040. Although we received public comments on the 60-day notice, if we receive any public comments in response to the NPRM, we will address them in the final rule. SSA published the Final Rule in the Federal Register on _____ at 85 FR _____. If we receive any comments in response to the Final Rule, we will forward them to OMB.

Consultation with the Public:

We consulted with 12 members of the public on March 1, 2019, at the Howard County Library when developing this form. The age ranges of the group are as follows:

- One (1) - 1945 and before
- Three (3) - 1946-1964
- Five (5) - 1965-1976
- Three (3) - 1977-1995

We asked this group for their thoughts on the format and language of the form, since we believed their comments could give us a perspective on the issues addressed by the form. Based on their feedback, we made the language on the form more comprehensive and readable by increasing the font, and adding definitions of terms for clarification.

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**

We provide below the annual burden estimates for information collection:

Modality of Completion	Number of Responses	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-4547 - Paper Version	85,733	1	6	8,573	\$16.36*	\$140,254**
SSA-4547 - Intranet version (SSI Claims System; MCS; iMAIN)	8,451,966	1	6	845,200	\$16.36*	\$13,827,472**
i4547- Internet version	3,201,466	1	6	320,147	\$16.36*	\$5,237,605**
Totals	11,739,194			1,173,919		\$19,205,331**

* We based these figures on an average of the hourly wages for the various respondents, which includes: DI; retiree; and survivors' payments as reported in SSA's disability insurance payment data, and the average hourly salary for U.S. workers, as reported by Bureau of Labor Statistics data.

** 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 estimated burden hours for this ICR is **1,173,919 hours** (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$19,205,331**. This figure represents the theoretical amount a respondent could have earned during the time they completed the form. SSA does not actually charge respondents to complete our applications.

We note that this burden calculation assumes 100 percent of beneficiaries and applicants who are eligible to advance designate will choose to do so.

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 approximately \$40,000,000. 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.

The chart below indicates estimated costs to the Federal government for implementing this new information collection tool over a 10-year period.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5-year Total	10-year Total*
Total Workyears	380	425	210	195	180	1,385	2,300
Total Dollars (Millions)	\$40	\$45	\$25	\$25	\$25	\$160	\$275*

* We anticipate a total cost over the next 10 years of \$275,000,000.

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

This new collection instrument increases the public reporting burden by an estimated 1,173,919 hours (see figures in #12 above).

16. **Plans for Publication Information Collection Results**

SSA will not publish the results of the information collection.

17. **Displaying the OMB Approval Expiration Date**

Paper Form SSA-4547:

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.

Internet version i4547:

SSA is not requesting an exception to the requirement to display the OMB approval expiration date.

Intranet version SSA-4547:

SSA is not requesting an exception to the requirement to display the OMB approval expiration date.

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 or this information collection.