**Supporting Statement for Form SSA-581**

**Authorization to Obtain Earnings Data**

**From the Social Security Administration**

**OMB No. 0960-0602**

1. **Justification**
2. **Introduction/Authoring Laws and Regulations**

On occasion, organizations and agencies, both public and private, need to obtain detailed earnings information about specific Social Security Number (SSN)‑holding wage earners for business purposes (e.g. pension funds, State agencies). Respondents use Form SSA-581 to identify the SSN holder whose information they wish to request, and to provide authorization from the SSN holder (when applicable). Section *205(c)(2)(A)* of the *Social Security Act (Act)* requires The Social Security Administration (SSA) to provide this information when authorized to do so by the SSN holder in question.

1. **Description of Collection**

SSA uses the information provided on Form SSA-581 to: (1) identify the wage earner; (2) establish the period of earnings information requested; (3) verify the wage earner authorized SSA to release this information to the requesting party; and (4) produce the Itemized Statement of Earnings (SSA-7050 (0960-0525)). Generally, the SSA-581 is a one-time request; however, some organizations use the form annually to maintain private pension programs, while others use the form in litigation matters. The respondents are private businesses and other Federal agencies.

1. **Use of Information Technology to Collect the Information**

SSA did not create an electronic version of this form under the agency’s Government Paperwork Elimination Act plan, because the *Tax Reform Act of 1976 (Public Law 94-455)* requires a wet signature from the SSN holder for SSA to release earnings data. SSA workgroups are performing planning and analysis to resolve the wet signature requirement and to automate the processing of Form SSA-581; however, we have not, yet, sufficiently resolved this issue. In addition, the SSA-581 is not available as a print only PDF on SSA’s website; rather, SSA sends the PDF file to the organizations via email or CD-ROM in effort to control and reduce unauthorized form use. Once we resolve the wet signature issues, we will work on implementing an electronic version of this form. Even so, we expect that higher volume applications will take precedence over this one, once we resolve the wet signature issue.

1. **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 collection instrument to obtain similar data.

1. **Minimizing Burden on Small Respondents**

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

1. **Consequence of Not Collecting Information or Collecting it Less Frequently**

If we did not use Form SSA-581, organizations and wage earners would have no way of requesting earnings data to administer private pension programs or resolve litigation matters, which would be a violation of Section *205(c)(2)(A)* of the *Act*. Because we only collect the information on an as-needed basis, we cannot collect it less frequently. There are no technical or legal obstacles to burden reduction.

1. **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.*

1. **Solicitation of Public Comment and Other Consultations with the Public**

The 60-day advance Federal Register Notice published on April 7, 2020 at 85 FR 19563, and we received no public comments. SSA published the second Notice on June 24, 2020, at 85 FR 37996. If we receive comments in response to the 30‑day Notice, we will forward them to OMB.

1. **Payment or Gifts to Respondents**

SSA does not provide payments or gifts to the respondents.

1. **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.

1. **Justification for Sensitive Questions**

The information collection does not contain any question of a sensitive nature.

1. **Estimates of Public Reporting Burden**

Please see the burden chart below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **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-581 | 24,000 | 1 | 2 | 800 | $33.58\* | $26,864\*\* |

\* We based this figure on average Compensation, Benefits, and Job Analysis Specialists hourly wage data from the BLS website: <https://www.bls.gov/oes/current/oes131141.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**.

The total burden for this ICR is **800** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of $**26,864**. SSA does not charge respondents to complete our applications.

1. **Annual** **Cost to the Respondents (Other)**

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

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

The annual cost to the Federal Government is approximately $29,804. This estimate accounts for costs from the following areas:

|  |  |  |
| --- | --- | --- |
| **Description of Cost Factor** | **Methodology for Estimating Cost** | **Cost in Dollars\*** |
| Designing, Printing, and Distributing the Form | Design Cost + Printing Cost + Distribution Cost | $5,584 |
| SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time | GS-9 employee x # of responses x processing time | $20,800 |
| Systems Development, Updating, and Maintenance | GS-9 employee x man hours for development, updating, maintenance | $3,420 |
| **Total** |  | **$29,804** |

SSA is unable to break down the costs to the Federal government further than we already have.  First, since we work with almost every US citizen, we often do bulk mailings, and cannot track the cost for a single mailing. We do not track design costs or upkeep costs (as these are based on employee time and may vary from collection to collection).  In addition, it is difficult for us to break down the cost for processing a single form, as field office and State Disability Determination Services staff often help respondents fill out several forms at once, and the time it takes to do so can vary greatly per respondent. As well, because so many employees have a hand in each aspect of our forms, we use an estimated average hourly wage, based on the wage of our average field office employee (GS-9) for these calculations. Finally, SSA prefers not to provide breakdowns of estimated payment to employees who process these items for a variety of reasons (only one of which is that it is not possible to do this entirely accurately).

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

There are no changes to the public reporting burden.

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

SSA will not publish the results of the information collection.

1. **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.

1. **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)*.

1. **Collections of Information Employing Statistical Methods**

SSA does not use statistical methods for this information collection.