

Supporting Statement for Form SSA-8240
Authorization for the Social Security Administration to Obtain Wage and Employment
Information from Payroll Data Providers
OMB No. 0960-0807

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 824 of the *Bipartisan Budget Act (BBA) of 2015, P.L. 114-74* authorizes the Social Security Administration (SSA) to enter into information exchanges with payroll data providers for the purposes of preventing improper payments and improving program administration of the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs. *42 U.S.C. 1320e 3(c) (1)* of the *United States Code* defines information exchanges as the automated comparison of our systems of records with records of payroll data providers. *42 U.S.C. 425(c)* and *1383(e)(1)(B)(iii)* authorize SSA to require each individual applying for, or receiving, SSDI and SSI benefits to provide authorization to obtain any record about the individual held by the payroll data provider whenever SSA determines we need the record in connection with a determination of initial or continuing entitlement to benefits.

2. Description of Collection

SSA uses Form SSA-8240 to secure the authorization we need from the relevant members of the public to obtain their wage and employment information from payroll data providers. Ultimately, SSA uses this wage and employment information to help determine program eligibility and payment amounts.

Once provided, the individual's authorization remains effective until one of the following four events occurs:

- SSA makes a final adverse decision on the application for benefits, and the applicant filed no other claims or appeals under the Title for which SSA obtained the authorization;
- the individual's eligibility for payments ends, and the individual filed no other claims or appeals under the Title for which SSA obtained the authorization;
- the individual revokes the authorization verbally or in writing; or
- the deeming relationship ends (for SSI purposes only).

Should authorization end due to one of the above events, and authorization becomes necessary at a later point, respondents must complete Form SSA-8240 again.

SSA requests authorization on an as-needed basis as part of the following processes: (a) SSDI and SSI initial claims; (b) SSI redeterminations; and (c) SSDI Work Continuing Disability Reviews. The respondents are individuals who file for, or are currently receiving, SSDI or SSI payments, and any person

whose income and resources SSA counts when determining an individual's SSI eligibility or payment amount.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act plan, SSA created the following electronic options for the public to complete Form SSA-8240:

- A version accessible via the Internet; and
- A version completed via an in-office or telephone interview. During the interview, the SSA employee enters the information on the *wage and employment information authorization* screens accessible through MCS, SSI Claims System, eWork, or iMain.

Form SSA-8240 is also available on SSA's Intranet website for SSA employees to print and mail to the public. Based on its data, SSA estimates approximately 96% of respondents under this OMB number use the electronic version.

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 use another collection instrument to collect similar data.

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 do not use Form SSA-8240 to collect authorization, we will not be able to obtain wage and employment information directly from payroll data providers as needed, or on a monthly basis via the information exchange. This would prevent SSA from using an automated process to verify wage and employment information. It would also increase the risk of incorrect eligibility determinations, and incorrect payment of benefits for individuals, provided by payroll data providers to SSA. Because we collect this 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 May 5, 2020 at 85 FR 26776, and we received no public comments. The 30-day FRN published on July 31, 2020 at 85 FR 46206. If we receive any comments in response to this Notice, we will forward them to OMB.

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

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)*	Average Wait Time in Field Office (minutes)**	Total Annual Opportunity Cost (dollars)**
SSA-8240 (paper)	150,000	1	6	15,000	\$10.73*	24**	\$804,750
Web Title II & Title XVI Electronic (MCS, MSSICS, and eWork)	3,492,903	1	2	116,430	\$10.73*	0	\$1,249,294
Internet	467,883	1	2	15,596	\$10.73*	0	\$167,344
Totals	4,110,786			147,026			\$2,221,388

* We based this figure on average DI payments, as reported in SSA's disability insurance payment data (<https://www.ssa.gov/legislation/2020Fact%20Sheet.pdf>).

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

In addition, OMB's Office of Information and Regulatory Affairs is requiring SSA to use a rough estimate of a 30-minute, one-way, drive time in our calculations of

the time burden for this collection. OIRA based their estimation on a spatial analysis of SSA’s current field office locations and the location of the average population centers based on census tract information, which likely represents a 13.97-mile driving distance for one-way travel. We depict this on the chart below:

Total Number of Respondents Who Visit a Field Office	Frequency of Response	Average One-Way Travel Time to a Field Office (minutes)	Estimated Total Travel Time to a Field Office (hours)	Total Annual Opportunity Cost for Travel Time (dollars)****
150,000	1	30	75,000	\$804,750

****We based this dollar amount on the Average Theoretical Hourly Cost Amount in dollars shown on the burden chart above.

Per OIRA, we include this travel time burden estimate under the 5 CFR 1320.8(a) (4), which requires us to provide “time, effort, or financial resources expended by persons [for]...transmitting, or otherwise disclosing the information,” as well as 5 CFR 1320.8(b)(3)(iii) which requires us to estimate “the average burden collection...to the extent practicable.” SSA notes that we do not obtain or maintain any data on travel times to a field office, nor do we have any data, which shows that the average respondent drives to a field office, rather than using any other mode of transport. SSA also acknowledges that respondents’ mode of travel and, therefore, travel times vary widely dependent on region, mode of travel, and actual proximity to a field office.

NOTE: We included the total opportunity cost estimate from this chart in our calculations when showing the total opportunity cost estimates in the paragraph below.

The total burden for this ICR is **147,026** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$3,026,139**. 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 approximately \$4,115,849. 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	\$275

SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 employee x # of responses x processing time	\$4,112,154
Systems Development, Updating, and Maintenance	GS-9 employee x man hours for development, updating, maintenance	\$3,420
Total		\$4,115,849

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).

15. **Program Changes or Adjustments to the Information Collection Request**
When we last cleared this IC in 2017, the burden was 168,805 hours. However, we are currently reporting a burden of 147,026 hours. This decrease stems from a change in the number of responses. Although the number of responses changed, SSA did not take any actions to cause this change. In 2017, the form and the electronic applications were new collections and our estimates were based on anticipated use. In this current request, we derive our estimate from current management information tracking transactional details. Although we are expanding our use of the authorization collected in this form to non-automated contacts with payroll data providers, we do not believe the additional use will affect the reported burden and costs estimates. Those individuals affected by the change are already using the form to provide authorization, and we do not anticipate adding new categories of applicants or beneficiaries.
16. **Plans for Publication Information Collection Results**
SSA will not publish the results of the information collection.
17. **Displaying the OMB Approval Expiration Date**
For the Paper Form SSA-8420, 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.

For the Internet version of Form SSA-8240, 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 for this information collection.