

**Supporting Statement for Form SSA-58**  
**Modified Benefit Formula Questionnaire-Employer**  
**20 CFR 404.213**  
**OMB No. 0960-0477**

**A. Justification**

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

Sections 215(a)(7) and 215(d)(3) of the *Social Security Act (Act)*, as codified in 20 CFR 404.213 of the *Code of Federal Regulations*, require the Social Security Administration (SSA) to use a modified benefit formula to compute Social Security retirement or disability benefits for persons first eligible (after 1985) for both a Social Security benefit and a pension or annuity, based on employment not covered by Social Security. The Act's Windfall Elimination Provision (WEP) mandates this method. SSA makes a determination regarding whether the WEP is applicable, and when to apply it to a person's benefit. SSA uses Form SSA-58, Modified Benefit Formula Questionnaire-Employer, to document a person's case. Sections 205(a), and 205(c)(2) of the Act, as amended, allow us to collect this information.

**2. Description of Collection**

The Social Security benefit formula is weighted to replace a greater share of career-average earnings for low-paid workers than for high-paid workers. This means that low-paid workers receive relatively high benefits in relation to their payroll tax contributions, although the dollar amount of their benefits is lower than that provided to high-paid workers.

The benefit formula, however, cannot distinguish between workers who have low career-average earnings because they worked for many years at low earnings in Social Security-covered employment and workers who appear to have low career-average earnings because they worked for many years in jobs not covered by Social Security. (Those years show up as zeros in their Social Security earnings records, which, when averaged, lower their career earnings from covered work.) Consequently, workers who split their careers between covered and noncovered employment—even highly paid ones—may also receive the advantage of the weighted formula.

The windfall elimination provision (WEP) is a modified benefit formula designed to remove the unintended advantage, or “windfall,” of the regular benefit formula for certain retired or disabled workers who spent less than full careers in covered employment and who are also entitled to pension benefits based on earnings from jobs not covered by Social Security. The reduction in initial benefits caused by the WEP is designed to place affected workers in approximately the same position they would have been in had all their earnings been covered by Social Security.

The Social Security application for benefits contains a lead question asking whether a claimant is entitled to (or will be entitled to) a pension based on non-covered employment. If the claimant is entitled to a pension but does not have the

information necessary to determine WEP, SSA sends the SSA-58 to an employer or pension payer requesting pension-related information. The respondents are employers or pension payers.

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

SSA is unable to create an electronic version of this information collection at this time, and therefore this collection does not allow for electronic submission as described in GPEA. Under current business processes, SSA Claims Specialists at the field office that provided in-take for the claimant's benefit application will send this agency-initiated application to respondents with pre-filled information. We also include a bar code, which allows us to scan the completed form into the electronic folder once we receive it from the respondent. Currently, we do not have any means to pre-fill information and send the individualized forms to the respondents electronically due to a lack of resources and manpower to do that at this time. In addition, at this time we believe we cannot send these via email, as the pre-filled information contains personal identifying information (PII) of the respondents, and we believe email is a non-secured means of transferring PII. We will reassess our ability to create an electronic version of this collection if, and when technological advances are created that would allow for us to make this collection available via the Internet in a fully secure way.

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 collection instrument to obtain 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 did not use Form SSA-58, we would be unable to determine how to apply the WEP accurately and to pay the correct Social Security benefit. 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 Circumstance**

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 2677, and we received no public comments. The 30-day FRN published on July 31, 2020 at 85 FR 45723. 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**

This information collection does not contain any questions of a sensitive nature.

12. **Estimates of Public Reporting Burden**

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-58	26,925	1	10	4,487	20.39*	\$91,490**

\*We based this figure on average Information and Records clerk’s hourly salary, as reported by Bureau of Labor Statistics data ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.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 collection instrument is **4,488** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$91,510**. 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 **\$48,777**. This estimate accounts for costs from the following areas

Description of Cost Factor	Methodology for Estimating Cost	Cost in Dollars*
<b>Designing</b> , Printing, and Distributing the Form	Design Cost + Printing Cost + Distribution Cost	\$307
SSA Employee (e.g., field office, 800 number, DDS staff) Information	GS-(whichever you used to calculate) employee x # of responses x processing time	\$33,292

Collection and Processing Time		
Systems Development, Updating, and Maintenance	GS (which ever you used to calculate) employee x man hours for development, updating, maintenance	\$15,178
<b>Total</b>		<b>\$48,777</b>

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 10,000 hours. However, we are currently reporting a burden of 1,346 hours. This change stems from a more accurate calculation of the burden time per response. Although the burden time changed, 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.