

Supporting Statement for Form SSA-7163
Questionnaire About Employment or Self-Employment Outside the United States
20 CFR 404.401(b)(1), 404.415 and 404.417
OMB Number 0960-0050

A. Justification

1. Introduction/Authoring Laws and Regulations

Sections 203(b) and (c) of the *Social Security Act (Act)*, as amended by the *Senior Citizens' Freedom to Work Act of 2000*, the Social Security Administration (SSA) may make deductions from monthly Social Security payments of employed and self-employed beneficiaries (other than disability beneficiaries) who are under full retirement age. The provisions of law governing deductions based on work activity also apply to beneficiaries outside the United States. SSA's Commissioner authorized the use of Form SSA-7163 to meet the requirements of Sections 203(b) and (c) of the *Act*. SSA regulations at 20 CFR 404.401(b)(1), 404.415, and 404.417 implement these two sections of the *Act*. Section 203(c) of the *Act* requires the Commissioner to make deductions from benefits of entitled individuals who engage in remunerative activity outside the United States for more than 45 hours per month. To determine if someone is subject to this work test, SSA needs the dates of work, and information to distinguish between employer and employee. We design all questions to elicit a full description of the enterprise.

2. Description of Collection

SSA collects information on Form SSA-7163 when a Social Security beneficiary or claimant reports work outside the United States, to determine whether foreign work deductions are applicable. SSA uses Form SSA-7163 to determine: (1) whether work the beneficiaries perform outside the United States is cause for deductions from their monthly benefits; (2) which of two work tests (foreign or regular test) is applicable; and (3) the number of months, if any, for SSA-imposed deductions. SSA determines whether the annual earning test applies to all earnings from work covered by the *Act*, including earnings from covered work performed outside the United States. However, because of the differences in foreign currency values, it is administratively impractical to apply this test to earnings from non-covered work performed outside the United States and base it on U.S. dollars. Accordingly, the 45-hour work test provides for deductions from the benefits of employees under full retirement age who engage in non-covered remunerative activity for more than 45 hours in a calendar month. SSA asks beneficiaries working outside the United States to complete this form annually, or every other year. Beneficiaries can complete this form manually or online independently, or with help as needed. We provide the paper Form SSA-7163 for beneficiaries that do not have access to the internet. The respondents are beneficiaries or claimants for Social Security benefits who are engaged in work outside the United States.

- 3. Use of Information Technology to Collect the Information**
Form SSA-7163 is available on SSA’s website as a fillable printable PDF. This collection does not currently have a fully public-facing Internet version, as we prioritized other information collections for full electronic conversions. As per our 4/3/20 conversation with OIRA, we welcome OIRA to join our conversations with OMB on IT Mods; however, as our IT Mod programming is an ongoing project, we cannot provide timelines for when we will be able to make any particular ICR available via the Internet. We will convert existing ICRs to full electronic versions depending on how they fall within our overall IT Mod schema, but this is unconnected to the PRA approval lifecycle.
- 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 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 SSA did not use Form SSA-7163, we would be unable to collect necessary information regarding employment or self-employment activity from beneficiaries under full retirement age who live outside the United States that may require work suspensions and deductions from their Social Security benefits according to the law. Because we only 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 June 5, 2020 at 85 FR 34703, and we received no public comments. The 30-day FRN published on August 18, 2020 at 85 FR 50862. 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)*	Total Annual Opportunity Cost (dollars)**
SSA-7163	20,000	1	60	20,000	\$10.73*	\$214,600**

* 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>).

** 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 **20,000** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$214,600**. 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 \$503,420. 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	\$0
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 employee x # of responses x processing time	\$500,000
Systems Development, Updating, and Maintenance	GS-9 employee x man hours for development, updating, maintenance	\$3,420
Total		\$503,420

* We have inserted a \$0 amount for cost factors that do not apply to this collection.

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 4,000 hours. However, we are currently reporting a burden of 20,000 hours. This change stems from an increase in the completion time from 12 minutes to 60 minutes. Per current Management Information (MI) data, we are revising the burden per response to 60 minutes.

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-7163, 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-7163, 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.