

Supporting Statement for Form SSA-7157
Farm Arrangement Questionnaire
20 CFR 404.1082(c)
OMB No. 0960-0064

A. Justification

1. Introduction/Authoring Laws and Regulations

We collect this information to ensure we accurately credit self-employment earnings. Section 211(a)(1) of the *Social Security Act (Act)* explains the term net earnings from self-employment, and that it generally excludes rentals from real estate and from personal property leased with the real estate. However, we may include real estate or property may as income if the owner or tenant of the land derives it under an arrangement where the individual is producing agricultural or horticultural commodities, and there is material participation, by owner or tenant, with respect to the agricultural or horticultural commodity. In addition, Section 20 CFR 404.1082(c) of the *Code of Federal Regulations* outlines the procedures SSA uses to determine if income from farm rentals should be included in determining self-employment net earnings.

2. Description of Collection

When self-employed workers submit earnings figures to SSA, they cannot count rental income from a farm they own unless they demonstrate “material participation” in that farm’s operation. A material participation arrangement means the farm owners must perform a combination of physical duties, management decisions, and capital investment in the farm they are renting. SSA uses Form SSA-7157, the Farm Arrangement Questionnaire, to document material participation. The respondents are workers who are renting farmland to others; are involved in the operation of the farm; and want to claim countable income from work they perform relating to the farm.

3. Use of Information Technology to Collect the Information

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 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. Consequences of Not Collecting Information or Collecting it Less Frequently

If we did not use Form SSA-7157, self-employed farmers who are renting out farm property and are materially participating in that farm’s operation, would have no means of counting income from the farm on their earnings records. Because we collect this information once, SSA 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 20, 2020 at 85 FR 51536, If we receive any comments in response to this Notice, we will forward them to OMB. We did not consult with the public in the revision of this form.

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

Modality of Completion	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost (dollars)*	Average Wait Time in Field Office (minutes)**	Total Annual Opportu Cost (dollars)
SSA-7157	662	1	30	331	\$38.63*	24**	\$23,023

* We based this figures on average Farmer’s hourly salary, as reported by Bureau of Labor Statistics data. https://www.bls.gov/oes/current/oes_nat.htm.

** 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)****
662	1	30	331	\$12,787

****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 time and opportunity cost estimates in the paragraph below.

We base our burden estimates on current management information data, which includes data from actual interviews, as well as from years of conducting this information collection. Per our management information data, we believe that 30 minutes accurately shows the average burden per response for reading the instructions, gathering the facts, and answering the questions. Based on our current management information data, the current burden information we provided is accurate. The total burden for this ICR is **331** burden hours

(reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$849,182**. 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 **\$36,947**. 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	\$1,299
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 employee x # of responses x processing time	\$34,280
Systems Development, Updating, and Maintenance	GS-9 employee x man hours for development, updating, maintenance	\$1,368
Total		\$36,947

15. Program Changes or Adjustments to the Information Collection Request

When we last cleared this IC in 2017, the burden was 1,152 hours. However, we are currently reporting a burden of 331 hours. This change stems a decrease increase in the number of responses from 2,304 to 662. There is no change to the burden time per response. Although the number of responses changed, SSA did not take any actions to cause this change. These figures represent current Management Information data

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 will not use statistical methods for this information collection.