

**Supporting Statement for Form SSA-150
Modified Benefit Formula Questionnaire
OMB No. 0960-0395**

A. Justification

1. Introduction/Authoring Laws and Regulations

Sections 215(a)(7) and 215(d)(3) of the *Social Security Act* (Act) contain the formulas the Social Security Administration (SSA) uses to compute Social Security benefits for retired and disabled workers receiving pensions from employment not covered by Social Security. The Technical and Miscellaneous Revenue Act of 1988, *Public Law 100-647*, provided a change in the way SSA computes benefits for retired and disabled workers receiving pensions from employment not covered by Social Security. The purpose of the Windfall Elimination Provision (WEP) is to remove an unintended advantage the Social Security benefit formula provided for people who have substantial pensions from non-covered employment.

2. Description of Collection

SSA collects information on Form SSA-150 to determine which formula to use in computing the Social Security benefit for someone who receives a pension from employment not covered by Social Security. The WEP requires use of a benefit formula replacing a smaller percentage of a worker's pre-retirement earnings. However, the resulting amount cannot show a difference in the benefit computed using the modified and regular formulas greater than one-half the amount of the pension received in the first month an individual is entitled to both the pension and the Social Security benefit. The SSA-150 collects the information needed to make all the necessary benefit computations. SSA requires respondents to furnish the information on Form SSA-150 so we can calculate their benefits using the data they supply. SSA calculates the benefits of applicants who do not respond to this questionnaire using the full WEP reduction. SSA employees collect this information once from the applicant at the time they file their claim. The respondents are applicants for old age and disability benefits.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act plan, SSA collects the information requested on the SSA-150 on our internal Modernized Claims System (MCS) screens as part of a personal interview with the respondent. Based on our data, we estimate approximately 80% of respondents under this OMB number provide the information through a personal interview with a claims representative who completes the MCS screens. Form SSA-150 is also available as a printable digital file (PDF) on SSA's website.

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 we did not use Form SSA-150, claimants who receive benefits from employment not covered by Social Security would receive an incorrect benefit amount from Social Security, which would not be compliant with WEP. Because we only collect this information once from each applicant, we cannot collect this information 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 Amount (dollars)* | Average Wait Time in Field Office (minutes)** | Total Annual Opportunity Cost (dollars) |
|------------------------|-----------------------|-----------------------|---------------------------------------|---------------------------------------|---|---|---|
| SSA-150 | 21,540 | 1 | 8 | 2,872 | \$10.73* | 24** | \$123,267 |

*We based this figures on average U.S. citizen’s hourly salary, as reported by Bureau of Labor Statistics 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)**** |
|--|-----------------------|---|---|---|
| 17,232 | 1 | 30 | 8,616 | \$92,450 |

****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.

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 10 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 collection instrument is **2,872** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$123,267**. 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 **\$1,414,276**. 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 | \$1401 |
| SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time | GS-9 employee x # of responses x processing time | \$44,875 |
| Systems Development, Updating, and Maintenance | GS-9 employee x man hours for development, updating, maintenance | \$1,368,000 |
| Total | | \$1,414,276 |

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

When we last cleared this IC in 2017, the burden was 90,000 hours. However, we are currently reporting a burden of 21,540 hours. This change stems a decrease in the number of responses from 12,000 to 2,872. 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 does not use statistical methods for this information collection.