# OMB Supporting Statement

SF 2823 - Designation of Beneficiary (Federal Employees' Group Life Insurance Program)

**A.** Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

   Title 5, United States Code, Section 8705, provides that employees and annuitants enrolled in the Federal Employees' Group Life Insurance (FEGLI) Program may designate beneficiaries to receive monies payable under the FEGLI Program after the death of the enrollee. The law also provides that if the enrollee doesn't designate a beneficiary, the monies will be paid according to the order of precedence listed in section 8705(a) of the law. Title 5, Code of Federal Regulations, section 870.802, gives further details on the requirements for a designation of beneficiary. Section 870.909 says that an assignee can also use the form to designate beneficiaries. (An assignee is someone who owns and controls the insured's insurance.)

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

   The Office of Personnel Management (OPM) uses Standard Form 2823 to collect the information that our contractor needs in order to pay the benefits as the enrollee or assignee wishes. Federal employees (or their assignees) file the form with their employing agency. Annuitants (or their assignees) file the form with OPM. OPM and agencies use the information on the form to identify where to send claim forms upon the insured's death. OPM's contractor uses the information on this form to pay life insurance benefits. We are requesting OMB clearance of this form solely due to its use by annuitants and assignees. The Privacy Act Statement has been revised due to a systematic review by our Chief Privacy Officer. The Public Burden Statement meets the requirements of 5 CFR 1320.8(b)(3).

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

   Use of information technology is contingent on changes to the law. The information collected is specific to the individual and can only be obtained from the respondents. However, this form is available in a PDF format on our website for printing locally, and it meets GPEA requirements.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Designations are filed individually. Duplication is minimized. Up-to-date, similar information is not available.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize.

This collection of information does not impact small businesses or other small entities.

6. Describe the consequence to Federal/DHS program or policy activities if the collection of information is not conducted, or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If this information were not collected, OPM's contractor could not comply with the provisions of the law and regulations. The contractor could not pay the life insurance benefits as the insured or assigned desired.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
• requiring respondents to report information to the agency more often than quarterly;
•requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
•requiring respondents to submit more than an original and two copies of any document;
• requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
• in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
• requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
• that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
• requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This information is collected at the convenience of the respondent. Less frequent collections would deny the insured or assignee a right given in the law and regulations.

8. Federal Register Notice: Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection prior to submission to OMB

On March 9, 2020, a 60 Day Federal Register Notice was published at 85 FR 13678 requesting comments. The following comment was received for this collection: *"Recommend that OPM include a clause to allow employees and witnesses to sign this form using their electronic signature/PIV/CAC card, and to allow agencies to digitally certify the form, using either electronic signatures, or PIV/CAC card, for continuity of operations and also to aid OPM in electronically processing retirement claims."* Our response is as follows: "*Per FEGLI law and regulation, employees are not allowed to use electronic signatures or PIV/CAC cards to sign the SF 2823 (Designation of Beneficiary) form. Per 5 CFR § 870.802(b), a designation of a beneficiary must be completed in writing, signed by the insured individual, and witnessed and signed by two people. OPM is currently working on guidance for agency human resources personnel to allow more flexibility to certify FEGLI forms. Any changes to the process would be temporary. However, no changes can be made to the Designation of Beneficiary form's signature requirement, as any change to this form would require a change to FEGLI law."*

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gift is provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

This information collection is protected by the Privacy Act of 1974 and OPM regulations (5 CFR 831.106). The routine uses of disclosure appear in the *Federal Register* for OPM/Central-1 (73 FR 15013, *et seq*., March 20, 2008, effective April 21, 2008).

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection does not include questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Provide estimates of the hour burden of the collection of information. The statement should:

a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desired. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.
b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.
c. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

We estimate 48,000 SF 2823 forms from annuitants and approximately 1,000 designation forms from assignees are processed each year. We estimate it takes 15 minutes to complete the form. The annual burden is 12,000 hours.

| Form Name | Form Number | No. of Respondents | No. of Responses per Respondent | Average Burden per Response (in hours) | Total Annual Burden (in hours) | Average Hourly Wage Rate | Total Annual Respondent Cost |
|---|---|---|---|---|---|---|---|
| Designation of Beneficiary (Federal Employees' Group Life Insurance (FEGLI) Program | SF 2823 | 48,000 | 1 | .25 | 12,000 | $5.37 | $2,685.00 |

The Total Annual Respondent Cost is $2,685.00.

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)

The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection as appropriate.

Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information to keep records for the government, or (4) as part of customary and usual business or private practices.

There is no change in the respondent burden.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.

The estimated total annual cost to the Federal Government is $12,700. The cost includes employee salary hours devoted to the program, overhead, and forms costs.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I. Changes in hour burden, i.e., program changes or adjustments made to annual reporting and recordkeeping **hour** and **cost** burden. A program change is the result of deliberate Federal government action. All new collections and any subsequent revisions of existing collections (e.g., the addition or deletion of questions) are recorded as program changes. An adjustment is a change that is not the result of a deliberate Federal government action. These changes that result from new estimates or actions not controllable by the Federal government are recorded as adjustments.

There are no changes to the respondent burden.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results of this information are not published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.

The substance of this information collection does not substantively change at each OMB renewal cycle, but according to changes in law and regulation Federal employees and annuitants routinely use this form to designate their beneficiaries and submit the completed form to their employing office or OPM Retirement Services. Pursuant to 870.802(b), the form is provided to the Office of Federal Employees' Group Life Insurance (OFEGLI) for the payment of a claim upon the insured's death. These forms are published (internet, intranet and on-board systems) through various agencies for distribution to and implementation by Government customers. Pursuant to title 5 CFR 1320.8(b)(1), it would not be appropriate to display the OMB clearance expiration date where the form will not be revised for the foreseeable future (e.g., because it is used to collect applicant information required by long-standing statutory provisions. Lastly, by adding the OMB clearance expiration date to the existing format, the end users of OPM's ICRs may erroneously assume that the expiration date affects the validity of the information collection when it is the OMB clearance expiration date and not reflective of the substance. This may lead to additional submissions by customers, possible litigation and increasing pressures on our operations workloads. Therefore, we seek approval to not display the OMB clearance expiration date on the forms and to communicate version changes to the public via the revision date.

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the certification statement.