**Supporting Statement for Form SSA-1694**

**Request for Business Entity Taxpayer Information**

**OMB No. 0960-0731**

1. **Justification**
2. **Introduction/Authorizing Laws and Regulations**

Per Sections *206(a)* and *1631(d)* of the Social Security *Act*, the Social Security Administration (SSA) collects information to facilitate direct payment of authorized fees to an attorney, or other person, who represents claimants for benefits before SSA. SSA uses the Form SSA-1694, Request for Business Entity Taxpayer Information, to meet requirements to issue Form 1099-MISC or Form 1099-NEC, as per the Internal Revenue Code, *26 USC 6041* and *26 USC 6045(f)* of the *United States Code*.

1. **Description of Collection**

SSA requires Lawfirms or other business entities to complete Form SSA-1694 ifthey wish to serve as appointedrepresentatives and receive directpayment of fees from SSA. SSA uses theinformation we receive to issue a Form 1099-MISC or a Form 1099-NEC.SSA also uses the information to allowbusiness entities to designateindividuals to serve as entityadministrators authorized to performcertain administrative duties on theirbehalf, such as providing bank accountinformation; maintaining entityinformation; and updating individualaffiliations. Respondents are law firmsor other business entities, which haveattorneys, or other qualified individuals, as partners or employees who representclaimants before SSA.

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

Law firms or other business entities have access to this information collection through the Internet. Respondents complete the necessary screens and submit the information to SSA electronically via SSA’s Business Services Online (BSO). Respondents may also complete the paper Form SSA-1694, and mail to their local SSA office.

In accordance with the agency’s Government Paperwork Elimination Act plan, SSA created an Internet version of Form SSA-1694. Based on our data, we estimate approximately 22% of respondents under this OMB number use the electronic version. SSA does not collect data on why the electronic submission is so low; however, we encourage respondents to submit via BSO.

1. **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.

1. **Minimizing Burden on Small Respondents**

This collection does not significantly affect small businesses or other small entities.

1. **Consequence of Not Collecting Information or Collecting it Less Frequently**

If we did not use form SSA-1694, the appointed representative would be unable to obtain information reported on a form 1099-MISC or on a form 1099-NEC. 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.

1. **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*.

1. **Solicitation of Public Comment and Other Consultations with the Public**

The 60-day advance Federal Register Notice published on July 2, 2021 at 86 FR 35371, and we received no public comments. The 30-day FRN published on September 2, 2021 at 86 FR 49403. If we receive any comments in response to this Notice, we will forward them to OMB.

1. **Payment or Gifts to Respondents**

SSA does not provide payments or gifts to the respondents.

1. **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 InformationAc*t), 5 U.S.C. 552a (*Privacy Act of 1974*),* and OMB Circular No. A-130*.*

1. **Justification for Sensitive Questions**

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

1. **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 -1694 paper version | 366 | 1 | 20 | 122 | $61.03\* | $7,446\*\* |
| BSO online submission | 103 | 1 | 20 | 34 | $61.03\* | $2,075\*\* |
| **Totals** | **469** |  |  | **156** |  | **$9,521\*\*** |

\* We based this figure on the average legal occupation’s hourly salary, as reported by Bureau of Labor Statistics data (<https://www.bls.gov/oes/current/oes_nat.htm#00-00000>)

\*\* 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 **156** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **$9,521**. SSA does not charge respondents to complete our applications.

1. **Annual Cost to the Respondents (Other)**

This collection does not impose a known cost burden on the respondents.

1. **Annual Cost To Federal Government**

The annual cost to the Federal Government is approximately **$1,609,574**. This estimate accounts for costs from the following areas:

|  |  |  |
| --- | --- | --- |
| **Description of Cost Factor** | **Methodology for Estimating Cost** | **Cost in Dollars\*** |
| Designing and Printing the Form | Design Cost + Printing Cost | $320 |
| Distributing, Shipping, and Material Costs for the Form | Distribution + Shipping + Material 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 | $241,254 |
| Full-Time Equivalent Costs | Out of pocket costs + Other expenses for providing this service | $0 |
| Systems Development, Updating, and Maintenance | GS-9 employee x man hours for development, updating, maintenance | $1,368,000 |
| **Total** |  | **$1,609,574** |

\* 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.  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.  However, we have calculated these costs as accurately as possible based on the information we collect for creating, updating, and maintaining these information collections.

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

When we last cleared this collection in 2018, the burden was an estimated 900 hours. However, we are currently reporting an estimated burden of 156 hours. This change stems from a decrease in the estimated total number of respondents from 900 to 469. Data obtained from SSA systems showed a decrease in the number of respondents applying to serve as appointed representative, which resulted in the burden change. The change also stems from an increase in the completion time from 10 minutes to 20 minutes. These figures represent current Management Information data.

1. **Plans for Publication Information Collection Results**

SSA will not publish the results of the information collection.

1. **Displaying the OMB Approval Expiration Date**

**Paper** **version**: OMB exempted SSA from the requirement to print the OMB approval expiration date on its forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that of an OMB approval. 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 discontinue using otherwise usable editions of forms with outdated expiration dates. In addition, SSA avoids Government waste because we will not have to destroy and reprint stocks of forms.

**Internet version on BSO**: SSA is not requesting an exemption to the requirement to display the OMB approval expiration date for the Internet version of the SSA-1694.

1. **Exception 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).

1. **Collections of Information Employing Statistical Methods**

SSA does not use statistical methods for this information collection.