

Supporting Statement for Form SSA-766
Statement of Self-Employment Income
20 CFR 404.101, 404.110, 404.1096 (a)-(d), 404.610-404.611, 422.505
OMB No. 0960-0046

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 205(a), Title II, of the *Social Security Act*, authorizes the Commissioner of the Social Security Administration (SSA) to adopt rules and regulations on the nature and extent of evidence claimants must provide to receive Social Security benefits. Sections 20 CFR 404.101; 404.110; 404.1096(a) through (d); 404.610-404.611; and 422.505 of the *Code of Federal Regulations* contain rules for defining net earnings from self-employment; for determining what constitutes self-employment income (SEI); and for determining insured status. To carry out these laws and governing regulations to compute net earnings from self-employment, SSA uses Form SSA-766, Statement of Self-Employment Income.

2. Description of Collection

To qualify for insured status, and collect Social Security benefits, self-employed individuals must demonstrate they earned the minimum amount of SEI in a current year. If SSA determines we need additional information regarding insured status, we ask the respondent to download, complete the SSA-766, and send it back to SSA. SSA uses Form SSA-766, Statement of Self-Employment Income, to collect the information we need to determine if the individual earned at least the minimum amount of SEI needed for one or more quarters of coverage in the current year. Based on the information we obtain, we may credit additional quarters of coverage to give the individual insured status, expediting benefit payments. Respondents are self-employed individuals potentially eligible for Social Security benefits.

3. Use of Information Technology to Collect the Information

This Information Collection is available as a print-only PDF on SSA's website. This collection does not currently have a fully public-facing Internet version, as we prioritized other information collections for full electronic conversions. Given that IT Mod programming is an ongoing, dynamic project, we cannot provide specific timelines for when we will be able to make any particular ICR available via Internet web-based application. We will ultimately convert most existing ICRs to full electronic versions depending on how they fall within our overall IT Mod schema, but this may be unconnected to the PRA approval lifecycle. In the interim, we evaluated this collection for conversion to a submittable PDF and intend to make this conversion within the next 3-6 years. Once we have the submittable PDF ready for implementation, we will submit a Change Request to OMB for prior approval.

4. **Why We Cannot Use Duplicate Information**
The nature of the information we collect and the manner in which we collect it preclude duplication. SSA does not use another collection instrument to obtain similar data.
5. **Minimizing Burden on Small Business 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-766, claimants who could otherwise qualify for immediate Social Security benefits would have to wait until the close of the tax year to qualify for benefits. 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.
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 July 27, 2021, at 86 FR 40221, and we received no public comments. The 30-day FRN published on September 29, 2021, at 86 FR 54007. 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 payment 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**
The chart below shows the burden for this information collection:

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-766	910	1	5	76	\$27.07*	\$2,057**

*We based this figures on average U.S. citizen’s hourly salary, as reported by Bureau of Labor Statistics data.

(https://www.bls.gov/oes/current/oes_nat.htm#00-0000).

** 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.**

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 the average time in minutes listed in the chart above 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 76 burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of \$2,057. 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 to the respondents.

14. **Annual Cost to Federal Government**

The annual cost to the Federal government for the form is approximately \$14,968. 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	\$164
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	GS-9 employee x # of responses x processing time	\$11,384

Time		
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	\$3,420
Quantifiable IT Costs	Any additional IT costs	\$0*
Total		\$14,968

* 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. 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 process several forms at once, and the time it takes to do so can vary greatly per form or 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.

15. **Program Changes or Adjustments to the Information Collection Request**
When we last cleared this IC, the burden was 208 hours. However, we are currently reporting a burden of 76 hours. This change stems from a decrease in the number of responses from 2500 to 910. The decrease stems from a decrease in the number of respondents applying for Self-Employment Income. 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. Collection of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.