

Justification
Gross Earnings Report
 RRB Form BA-11 and BA-11 (Internet)

1. Circumstances of information collection - To carry out the financial interchange provisions of Section 7(c)(2) of the Railroad Retirement Act (RRA) (45 U.S.C. 231f), each year employers are required to report the gross earnings of a one-percent sample group of railroad employees to the Railroad Retirement Board (RRB). The gross earnings sample is based on the earnings of the employees whose social security numbers end with "30." The gross earnings of these employees are then used to determine payroll taxes under the financial interchange.

The financial interchange between the railroad retirement and social security systems was established by the 1951 amendments to the RRA and was made retroactive to January 1, 1937. The purpose of the financial interchange between the railroad retirement and social security systems is to put the social security (OASDHI) trust funds in the same position they would have been in if railroad employment had been covered under the Social Security and Federal Insurance Contributions Act since its inception.

Under the Railroad Retirement Solvency Act of 1983, sickness payments became creditable as compensation. Railroad employers are asked to include the sickness payments with other compensation in gross earnings reports.

The procedures pertaining to the RRB's collection of gross earnings information needed to carry out the financial interchange provisions of the RRA are contained in 20 CFR 209.13.

2. Purposes of collecting/consequences of not collecting the information - The gross earnings information is essential in determining the tax amounts involved in the financial interchange with the Social Security Administration and the Centers for Medicare & Medicaid Services. Besides being necessary for current financial interchange calculations, the gross earnings file tabulations are also an integral part of the data needed to estimate future tax income and corresponding financial interchange amounts. These estimates are made for internal use and to satisfy requests from other government agencies and interested groups. In addition, cash-flow projections of the social security equivalent benefit account and railroad retirement account and cost estimates made for proposed amendments to laws administered by the RRB, are dependent upon input developed from the information collection.

The RRB uses **Form BA-11, Gross Earnings Report**, to request pertinent employer and report identifying information as well as each employee's social security number, name, and the gross earnings amounts, which can be reported with an annual, quarterly, or monthly breakdown.

The primary method for submitting the report to the RRB is by using online **Form BA-11 (Internet), Gross Earnings Report**, via the RRB's Employer Reporting System. The completion instructions are contained in a circular letter that is sent annually to each employer as a reminder to file as well as in the RRB's online "Employer Reporting Instructions," Part V, Chapter 7 and Part VIII, Chapter 3d. The Paperwork Reduction Act Notice and burden statement are accessed at the bottom of the Internet screen.

Employers also have the option of submitting their reports on CD-ROM, by secure Email, or by File Transfer Protocol (FTP). The instructions and format requirements for submitting these reports the magnetic tape cartridges and FTP and the Paperwork Reduction Act Notice and burden statement are contained in Appendix 1 of the RRB's online "Reporting Instructions to Employers," the reminder letter sent annually to each employer, and Program Letter 2008-05. Reporting by CD-ROM, secure Email, and FTP also requires a signed fraud and certification statement that is provided on RRB Form G-440, Report Specifications Sheet (OMB 3220-0008), which must accompany each report.

Form G-440 is also used by employers to submit a negative report when they have no employees with a social security number that ends in "30." Employers who file using ERS utilize an online option to indicate that they are filing a "negative" report, and do not need to file complete a separate Form G-440, *Report Specifications Sheet* (OMB 3220-0008).

Form BA-11 is similar to RRB Form BA-3, Annual Report of Creditable Compensation (OMB No. 3220-0008).

The RRB proposes no changes to Form BA-11.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction – None. Consistent with previously stated GPEA goals, the RRB now offers Form BA-11 online via ERS, CD-ROM, by secure Email, and File Transfer Protocol (FTP).
4. Efforts to identify duplication - To our knowledge, no other agency use similar forms and this information collection does not duplicate any other RRB information collection.
5. Small business respondents - N.A.
6. Consequences of less frequent collection - N.A.
7. Special circumstances - N.A.
8. Public comments/consultations outside the agency - In accordance with 5 CFR 1320.8(d), comments were invited from the public regarding the information collection. The notice to the public was published on page 38508 of the July 21, 2021, Federal Register. No comments pertinent to the information collection were received.
9. Payments or gifts to respondents - None
10. Confidentiality - Privacy Act System of Records, RRB-29, Railroad Employees' Annual Gross Earnings Master File-RRB. In accordance with OMB Circular M-03-22, a Privacy Impact Assessment for this information collection was completed and can be found at <https://www.rrb.gov/sites/default/files/2017-06/PIA-FI-Public.pdf>.
11. Sensitive questions - N.A.
12. Estimate of respondent burden - The gross earnings reports are required annually from all employers reporting railroad service and compensation. Most large railroad employers include their railroad subsidiaries in their gross earnings reports. Also, there are railroad

employers having work-forces so small that they have no employees with social security numbers ending in “30.” These employers file “negative” BA-11 responses with the RRB.

Overall, on an annual basis, the RRB estimates receipt of approximately 165 (“positive” completed BA-11 responses (11 reports filed by secure e-mail, CD-ROM, or File Transfer Protocol that together account for about 60 percent of the employees reported, approximately 154 using the BA-11 (Internet)). The RRB estimates that 424 employers use the “negative” response feature Form BA-11 (Internet).

The current annual burden for this collection is shown as follows:

Current Burden

Form Number	Annual Responses	Time (Minutes)	Burden(Hours)
BA-11 CD-ROM*	5	30	2
BA-11 File Transfer Protocol**	7	300 (5 hours)	35
BA-11 Secure Email**	5	30	2
BA-11 (Internet) – Positive**	137	30	68
BA-11 (Internet) – Negative**	329	15	82
Total	483		189

Proposed Burden

Form Number	Annual Responses	Time (Minutes)1/	Burden(Hours)
BA-11 CD-ROM*	0	30	0
BA-11 File Transfer Protocol**	11	300 (5 hours)	55
BA-11 Secure Email**	0	30	0
BA-11 (Internet) – Positive**	154	30	77
BA-11 (Internet) – Negative**	424	15	106
Total	589		238

	Responses	Hours
Total burden Change	+106	+49
Program Change	+106	+49

* Fillable, Fileable – No electronic submission.

** Fillable, Fileable – Can be electronically submitted.

1/The RRB has been collecting the information on these forms since OMB approved the information collection. Based on a sampling done when the form was originally created, the office calculated the estimated time, which includes time for getting the needed data and reviewing the completed form.

13. Estimate of annual cost to respondents or record keepers - N.A
14. Estimate of cost to Federal Government - N.A.
15. Explanation for change in burden – The estimated overall annual responses for this collection have increased from 483 to 589 (+106) and the burden hours have increased by 49, from 189 to 238. The main driver of the increased burden are negative reports via the Internet through the RRB's Employer Reporting System (ERS). As more railroads have become users of ERS, more are reporting their negative BA-11s via ERS, rather than not reporting at all. The other cause is that some roads that previously submitted via CD-ROM or Secure E-Mail have changed their reporting method to the File Transfer Protocol, which has a higher time burden.
16. Time schedule for data collection and publication - The gross earnings report is obtained annually from railroad employers. The summaries and tables pertaining to the payroll tax and benefit calculations, based on the gross earnings reports submitted by the employers, are published annually in the publication "RRB-SSA-CMS Financial Interchange."
17. Request not to display OMB expiration date – The RRB started an extensive multi-year IT Modernization Initiative at the beginning of Fiscal Year 2019 to transform our operations into the 21st Century using multiple contractor services to improve mission performance, expand service capabilities, and strengthen cybersecurity. We provided OMB with a consolidated project timeline.

Given that the forms in this collection are seldom revised; the costs associated with redrafting, reprinting, and distributing forms in order to keep the appropriate OMB expiration date in place; and our desire to reevaluate after the completion of the modernization project, **the RRB requests the authority to not display the expiration date on the forms.**

18. Exceptions to certification statement - None