

SUPPORTING STATEMENT

Internal Revenue Service

Repayment of a buyout prior to re-employment with the Federal Government

OMB # 1545-1920

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Public Law (PL) 103-226, PL 104-208, and PL 107-296 require an individual who received a buyout at the time of separation from the Federal Government to repay the entire amount of the buyout (including all deductions for taxes) to their former agency, if they are re-employed within 5 years following the effective date of separation on which the payment was based. This requirement applies to any employment, of any length, in any entity of the Federal Government. PL 104-208 and 107-296 requires the repayment be made prior to the employee's first day of employment. PL 103-226 allows for the repayment over an extended period.

Form 12311 outlines the regulations requiring those employees being rehired by the government and received a buyout from their previous job to make repayment of the buyout before they will be hired again.

2. USE OF DATA

Information on this form will be used to determine if an applicant was previously employed by the Federal Government, and if they received a Buyout within the last 5 years prior to employment.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of low volume compared to the cost of electronic enabling.

4. EFFORTS TO IDENTIFY DUPLICATION

The information obtained through this collection is unique and is not already available for use or adaptation from another source.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There are no small entities affected by this collection.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Failure to collect and retain the information outlined in the regulations could affect the hiring

process and tax obligations to the potential employee (taxpayer). This could result in tax penalties to the taxpayers and inconsistent reporting of data.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 12311.

In response to the *Federal Register* notice dated August 26, 2021, (86 FR 47741), we received no comments during the comment period regarding Form 12311.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “Entry on Duty System (EODS)” system and a Privacy Act System of Records notice (SORN) has been issued for this system under “Treasury .001--Treasury Payroll and Personnel System--Unique System Identifier: 015-00-01-13-01-1261-24.” The Internal Revenue Service PIAs can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS

systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

This form outlines the regulations requiring those employees being rehired by the government and received a buyout from their previous job to make repayment of the buyout before they will be hired again.

OMB Collection n	Authority	Form	Annual Responses	Hours per Response	Total Burden
IRS 1545- 1920	PL 103-226 PL 104-208	12311	6,624	.08	530
	IRS TOTAL		6,624		530

Please continue to assign OMB number 1545-1920 to these regulations.

5 CFR 550.710

5 CFR 550.771

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our Federal Register notice dated August 26, 2021 requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. No comments were received. To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distribution and overhead for the Form is \$2,950.

15. REASONS FOR CHANGE IN BURDEN

There are no changes being made to Form 12311.

This submission is being made for renewal purposes.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.

Note: The following paragraph applies to all the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained if their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.