

**Supporting Statement for Representative Payment Policies and Administrative
Procedure for Imposing Penalties for False or Misleading Statements or Withholding of
Information
20 CFR 404.2035(d)(f) and 20 CFR 416.635(d)(f)
OMB No. 0960-0740**

A. Justification

1. Introduction/Authoring Laws and Regulations

The *Social Security Protection Act (SSPA)*, *Public Law 108-203*, amends representative payment policies by providing additional safeguards for Social Security beneficiaries or Supplemental Security Income (SSI) recipients who have representative payees to receive their benefits. Sections *20 CFR 404.2035(d)-(f)* and *20 CFR 416.635(d)(f)* of the *Code of Federal Regulations* contain public reporting requirements to fulfill provisions of the SSPA. Sections *205 (j)-(k)*, *1631(a)(2)*, and *807* of the *Social Security Act* give the Social Security Administration (SSA) the authority to collect the information required under these regulation sections.

2. Description of Collection

This information collection request (ICR) comprises several regulation sections which provide additional safeguards for Social Security beneficiaries, or SSI recipients whose representative payees receive their payments. SSA requires representative payees to notify us of any event or change in circumstances that would affect receipt of benefits or performance of payee duties. SSA uses the information to determine continued eligibility for benefits; the amount of benefits due; and if the payee is suitable to continue servicing as payee.

Sections *20 CFR 404.2035(d)(f)* and *416.635(d)(f)* contain the following information collection requirements:

- The following regulation sections apply to representative payees for beneficiaries of **Federal Old-Age, Survivors, and Disability Insurance** and **Special Benefits for Certain WWII Veterans**:
 - **404.2035(d)** - Representative payees must notify SSA of any event or change in their circumstances that would affect the amount of benefits they receive, their right to receive benefits, or how they receive them.
 - **404.2035(f)** - Representative payees must notify SSA of any change in their circumstances that would affect their ability to perform their responsibilities.
- The following regulation sections apply to representative payees of **Supplemental Security Income for the Aged, Blind, and Disabled** recipients:

- o **416.635(d)** - Representative payees must notify SSA of any event or change in their circumstances that would affect the amount of payments they receive, their right to receive benefits, or how they receive them.
- o **416.635(f)** - Representative payees must notify SSA of any change in their circumstances that would affect their ability to perform their responsibilities.

SSA uses the information, which the above regulation sections mandate, to ensure representative payees are meeting the safeguard requirements mandated by the SSPA. The respondents are representative payees who receive and use benefits on behalf of Social Security beneficiaries.

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

SSA does not collect this information through forms or any other standardized information collection; therefore, we cannot create an electronic version for these regulatory requirements under the Government Paperwork Elimination Act. If circumstances arise requiring representative payees to submit this information, they can do so using any modality they wish, in addition to providing proof of the information they submit. SSA created an Intranet system to enter information during a personal interview with the representative payees.

4. **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.

5. **Minimizing Burden on Small Respondents**

This collection could affect small businesses or other small entities, if such groups are representative payees who must report the information mandated by the regulation sections in this ICR. However, since the reporting time is minimal, we cannot minimize it further.

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

If we did not collect the information, we would have no means of meeting SSPA mandates. SSA would also lose a valuable means of tracking representative payee changes, resulting in possible overpayments or underpayments of benefits. Because we only 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 November 30, 2021, at 86 FR 68054, and we received no public comments. The 30-day FRN published on February 7, 2022 at 87 FR 6929. 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 payments or gifts to the respondents. However, we do provide payment to Fee-For-Service organizational payees for the beneficiaries they represent.

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**

This ICR does not contain any questions of a sensitive nature.

12. **Estimates of Public Reporting Burden**

Regulation Sections	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost (dollars)*	Average Wait Time in Field Office or for Teleservice Centers (minutes) **	Total Annual Opportunity Cost (dollars)***
404.2035(d) – Paper/Mail	30,489	1	5	2,541	\$27.07*		\$68,785***
404.2035(d) – Office interview/Intranet	579,291	1	5	48,274	\$27.07*	21**	\$6,795,274***
404.2035(f) – Paper/Mail	304	1	5	25	\$27.07*		\$677***
404.2035(f) – Office interview/Intranet	5,792	1	5	483	\$27.07*	21**	\$67,946***
416.635(d) – Paper/Mail	16,630	1	5	1,386	\$27.07*		\$37,519***
416.635(d) – Office interview/Intranet	305,316	1	5	25,443	\$27.07*	21**	\$3,581,469***

416.635(f) – Paper/Mail	166	1	5	14	\$27.07*		\$379***
416.635(f) – Office interview/Intranet	3,159	1	5	263	\$27.07*	21**	\$37,059***
Totals	941,147			78,429			\$10,589,108***

* We based this figure on the average U.S. worker’s hourly wages, as reported by Bureau of Labor Statistics data (https://www.bls.gov/oes/current/oes_nat.htm#00-0000).

** We based this figure by averaging the average FY 2021 wait times for field offices and teleservice centers, based on SSA’s current management information data.

*** 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.**

In addition, OMB’s Office of Information and Regulatory Affairs (OIRA) is requiring SSA to use a rough estimate of a 30-minute, one-way, drive time in our calculations of the time burden for this collection. OIRA based their estimation on a spatial analysis of SSA’s current field office locations and the location of the average population centers based on census tract information, which likely represents a 13.97 mile driving distance for one-way travel. We depict this on the chart below:

Total Number of Respondents Who Visit a Field Office	Frequency of Response	Average One-Way Travel Time to a Field Office (minutes)	Estimated Total Travel Time to a Field Office (hours)	Total Annual Opportunity Cost for Travel Time (dollars)****
893,558	1	30	446,779	\$12,094,307****

****We based this dollar amount on the Average Theoretical Hourly Cost Amount in dollars shown on the burden chart above.

Per OIRA, we include this travel time burden estimate under the 5 *CFR* 1320.8(a)(4), which requires us to provide “time, effort, or financial resources expended by persons [for]...transmitting, or otherwise disclosing the information,” as well as 5 *CFR* 1320.8(b)(3)(iii) which requires us to estimate “the average burden collection to the extent practicable.” SSA notes that we do not obtain or maintain any data on travel times to a field office, nor do we have any data which shows that the average respondent drives to a field office, rather than using any other mode of transport. SSA also acknowledges that respondents’ mode of travel and, therefore, travel times vary widely dependent on region, mode

of travel, and actual proximity to a field office.

NOTE: We included the total opportunity cost estimate from this chart in our calculations when showing the total opportunity cost estimates in the paragraph below.

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 5 minutes shown in our 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 **78,426** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$22,683,415**. 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 on the respondents.

14. **Annual Cost To Federal Government**

The annual cost to the Federal Government is approximately **\$1,739,488**. 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	\$0*
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	\$1,731,710
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	\$7,778
Quantifiable IT Costs	Any additional IT costs	\$0*

Total		\$1,739,488
--------------	--	--------------------

* 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 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.

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

When we last cleared this IC in 2019, the burden was 76,147 hours. However, we are currently reporting a burden of 78,429 hours. This change stems an increase in the number of responses from 913,739 to 941,147. 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.

* **Note:** The total burden reflected in ROCIS is 525,209, while the burden cited in #12 above is 78,49. This discrepancy is because the ROCIS burden reflects the following components: field office waiting time + telephone call system wait times + a rough estimate of a 30-minute, one-way, drive burden. In contrast, the chart in #12 above reflects actual burden.

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

SSA will not publish the results of the information collection.

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

Since there are no official documents or forms for the regulation sections requirements, we will continue to request an exception to the requirement to display the OMB approval expiration date

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. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.