

**Supporting Statement for
Certificate of Coverage Request
20 CFR 404.1913 (Precluding dual coverage)
OMB No. 0960-0554**

A. Justification

1. Introduction/Authoring Law and Regulations

Section 233 of the *Social Security Act (Act)* authorizes the President to enter into bilateral (Totalization) social security Agreements with other countries for the purpose of coordinating the social security systems of the two countries. Totalization Agreements, eliminate dual social security taxation, the situation that occurs when an employee from one country works in another country and is required to pay social security taxes to both countries on the same earnings. The Agreements assign coverage to just one country and exempt the employer and employee from the payment of social security taxes in the other country. The United States currently has Agreements with 30 countries. Section 233(c)(1)(B) of the *Act* and 20 CFR 404.1913 of the *Code of Federal Regulations* state that these Agreements eliminate double coverage and taxation (a situation that occurs when a worker from one country works in the other country and would otherwise be subject to social security coverage and taxation by both countries for the same work). Each Agreement contains rules for determining which country's laws cover the period of work, and to which system the worker pays taxes. Each Agreement includes rules that assign a worker's coverage to the country where the worker has the greater economic attachment. Each Agreement provides that, upon the request of the worker or the employer, the country's system under which the period of work is covered will issue a certificate of coverage. The certificate serves as proof of exemption from coverage and taxation under the system of the other country. Generally, the Agreements provide that a worker will be covered by the country in which he or she is employed and will be exempt from coverage by the other country.

2. Description of Collection

To obtain a certificate of coverage, SSA requires the self-employed worker or employer to submit a request online. SSA provides our Internet web address for individuals to complete an electronic form and submit the required information. For example, pages 4-10 of the pamphlet for the U.S.-Australian Agreement, list the information required to request a certificate. While we receive most certificate requests through the Internet, we also receive requests by mail and fax. The hyperlink to the certificate request forms is available on the Internet, and SSA suggests applicants use the electronic request forms on our publicly available pamphlets. The information required to issue a certificate differs depending on the Agreement negotiated with a particular country. As a result, SSA created 30 online application forms, one for each of the 30 corresponding countries SSA has Totalization Agreements. The forms require respondents to provide personally identifiable information about the worker; the employer; and residential locations

for the worker and employer. Some of the questions include the applicant's name; U.S. Social Security number; date of birth; country of birth; country of citizenship; country of permanent residence; date of hire; country of hire; beginning and ending date of work assignment in the foreign country; the employer; and residential location in the U.S. and abroad.

The 30 online forms generally require similar information throughout, with a few exceptions. For Denmark, Iceland, Netherlands, Norway, and Sweden, we require information regarding the worker's family members in addition to the regular questions we ask on the forms for the other 25 countries. Our Agreements with these five countries require us to include additional questions regarding the immediate workers' family names; their dates of birth; workers' and families' foreign social insurance numbers; as well as the workers' maiden names. In addition, our Agreement with Poland requires us to include the worker's Polish Identification Number; and the Agreement with Uruguay requires us to obtain an email address for the worker. SSA also provides pamphlets instructing workers or employers to write to SSA and provide the specific required information to apply for a certificate in the country they wish to work. SSA uses the information to determine if the worker should be subject to U.S. social security coverage and taxation in accordance with the provisions of the Agreement. If a Social Security Agreement assigns coverage of the employee's work to the United States, the Social Security Administration issues a U.S. certificate of coverage. The certificate serves as proof that the employee and employer are exempt from the payment of social security taxes to the foreign country. The respondents are U.S. citizens and residents who wish to work in a foreign country, and their employers.

3. Use of Information Technology to collect the Information

SSA provides an electronic online service to request certificates of coverage; We provide our Internet web address for individuals to complete an electronic form and submit the required information. Based on our data, we estimate approximately 100% of respondents under this OMB number use the electronic version.

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 does not significantly affect small businesses or other small entities.

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

If we did not collect the information, SSA would be unable to determine whether U.S. workers abroad should be subject to U.S. Social Security law or foreign law under the applicable Agreement. In addition, SSA would be unable to issue certificates to exempt workers from foreign social security taxes. Because we

only collect the information once per respondent, we cannot collect it less frequently. There are no technical or legal obstacles that prevent 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 October 14, 2022, at 87 FR 44182, and we received no public comments. The 30-day FRN published on December 14, 2022, at 87 FR 76532. If we receive any comments in response to this Notice, we will forward them to OMB.

9. Payment or Gifts to Respondents

SSA does not provide payments or gifts to 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

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)**
Requests via Letter - Individuals (minus Denmark, Iceland, Netherlands, Norway, Slovenia, Sweden and Uruguay)	511	1	40	341	\$28.01*	\$9,551**
Requests via Internet –	3,253	1	40	2,169	\$28.01*	\$60,754**

Individuals (minus Denmark, Iceland, Netherlands, Norway, Poland, Slovenia, Sweden, and Uruguay)						
Requests via Letter – Individuals in Denmark, Iceland, Netherlands, Norway, Slovenia, Sweden, and Uruguay	87	1	44	64	\$28.01*	\$1,793**
Requests via Letter – Individuals in Poland	31	1	41	21	\$28.01*	\$588**
Requests via Internet – Individuals in Denmark, Iceland, Netherlands, Norway, Slovenia, Sweden, and Uruguay	122	1	44	89	\$28.01*	\$2,493**
Requests via Internet – Individuals in Poland	52	1	41	36	\$28.01*	\$1,008**
Requests via Letter – Employers (minus Denmark, Iceland, Netherlands,	1,135	1	40	757	\$28.01*	\$21,204

Norway, Poland, Slovenia Sweden and Uruguay)						
Requests via Internet – Employers (minus Denmark, Iceland, Netherlands, Norway, Poland, Slovenia, Sweden and Uruguay)	25,165	1	40	16,777	\$28.01*	\$469,924**
Requests via Letter – Employers in Denmark, Iceland, Netherlands, Norway, Slovenia, Sweden, and Uruguay	168	1	44	123	\$28.01*	\$3,445**
Requests via Letter – Employers in Poland	18	1	41	12	\$28.01*	\$336**
Requests via Internet – Employers in Denmark, Iceland, Netherlands, Norway, Slovenia, Sweden, and Uruguay	1,937	1	44	1,420	\$28.01*	\$39,774**
Requests via Internet – Employers in Poland	243	1	41	166	\$28.01*	\$4,650**

Totals	32,722		21,975	\$615,520
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* We based this figure 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).

** 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 times** of **40 to 44** 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 **21,975** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$615.520**. 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 the Federal Government

The annual cost to the Federal Government is approximately **\$291,867**. 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	\$101,832
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 (Per OPTS contract)	\$190,035
Quantifiable IT Costs	Any additional IT costs	\$0*

Total		\$291,867
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* 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. 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 56,556 hours. However, we are currently reporting a burden of 21,975 hours. This change stems a decrease in the number of responses from 84,473 to 36,722, due to a decrease in respondents traveling and working in other countries because of the pandemic. 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. Internet –Based Applications:

For the Internet versions of the booklets and online forms, SSA will insert expiration dates upon OMB approval.

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.