

**Supporting Statement for Form SSA-7160
Employment Relationship Questionnaire
20 CFR 404.1007
OMB No. 0960-0040**

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 205(a) of the *Social Security Act (Act)* authorizes the Social Security Administration (SSA) to establish procedures to maintain workers' earnings records. To accomplish this, SSA needs to determine workers' employment status as defined in section 210(j)(2) of the *Act*, and 20 CFR 404.1007 of the *Code of Federal Regulations*, when their status is uncertain or ambiguous. As defined, a worker is an employee under the "usual common-law rules" applicable in determining the existence of an employer-employee relationship.

2. Description of Collection

During these rare, uncertain or ambiguous situations when SSA needs information to determine a worker's employment status to maintain a worker's earning records, the agency uses paper Form SSA-7160, Employment Relationship Questionnaire, to determine the existence of an employer-employee relationship. We use the information to develop the employment relationship by determining if a beneficiary is self-employed or an employee. The respondents are individuals seeking to establish their employment status as employees and their alleged employers. The respondents include individuals, households, businesses, and state and local governments.

3. Use of Information Technology to Collect the Information

Form SSA-7160 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. Given the high volume of conversions we are coordinating and the more urgent nature of some of the other conversions, we ultimately decided not to prioritize this ICR for conversion to fully submittable PDF at this time. When we are able to schedule this form for conversion to a submittable PDF, we will submit a Change Request to OMB to request prior approval.

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 use Form SSA-7160, the earnings records of workers under the Social Security system would not be accurate. Because we only collect the information once, we cannot collect it less frequently. There are no technical or legal obstacles to 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 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.

9. Payment or Gifts to Respondents

SSA does not provide payments 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 following chart shows the public reporting burden for Form SSA-7160:

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)*	Average Wait Time in Field Office (minutes)**	Total Annual Opportunity Cost (dollars) ***
SSA-7160	45	1	25	19	\$22.14*	24**	\$820***

* We based this figure on the 2021 average U.S. worker's hourly wages of \$27.07

(https://www.bls.gov/oes/current/oes_nat.htm); the median hourly wage of \$21.10 for public sector Information and Records Clerks (<https://www.bls.gov/oes/current/oes434199.htm>); and the 2021 median hourly wage of \$18.25 for State and Local government Information and Records Clerks (<https://www.bls.gov/oes/current/oes434199.htm>), as reported by Bureau of Labor Statistics data. We used the average of these three wages to calculate the Average Theoretical Hourly Wage of \$22.14.

** We based this figure on the average FY 2021 wait times for field offices, 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.**

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)****
45	1	30	23	\$509****

**** 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 time and 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 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 **19** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$1,329**. SSA does not charge respondents to complete our applications.

13. Annual Cost to the Respondent (Other)

This collection does not impose a known cost burden on the respondents.

14. Annual Cost to the Federal Government

The annual cost to the Federal Government is approximately **\$13,356**. 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 (\$22.08) x 45 responses x 10-hour processing time	\$9,936
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 (to keep the fillable PDF maintained on our servers)	\$3,420
Quantifiable IT Costs	Any additional IT costs	\$0*
Total		\$13,356

* 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 staff often process 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-09) 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**
We are showing a large decrease in the use of this form since we last reported usage in 2018. There are two reasons for this decrease: 1) there has been a significant decrease in the need for Form SSA-7160, and 2) our previously reported numbers were based on old, and possibly inaccurate management information data. We have since updated SSA's system to allow us to better calculate the usage of this form and have found that we overestimated the use when we reported it last. Finally, we also note that our new system does not require the field office to record the type of respondent; therefore, we are reporting the burden data in one IC that covers all the respondents. While the number of respondents has decreased, 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. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.