# Supporting Statement for SSA-7104

# Partnership Questionnaire

 **20 CFR 404.1080-404.1082(e)**

# OMB No. 0960-0025

**A. Justification**

1. **Introduction/Authoring Laws and Regulations**

Section *205(b)(1)* of theSocial Security Act *(Act)* directs the Commissioner of the Social Security Administration (SSA) to make findings and decisions as to the rights of individuals applying for payments under the *Act*. Section *205(c)(2)(A*) of the *Act* requires the Commissioner to establish and maintain records of such individuals. Sections *20 CFR 404.1080-404.1082(e)* of the *Code of Federal Regulations*, define a partnership as two or more people joined to carry on a trade or business. Each partner contributes in one or more ways with money, property, labor or skill; and shares in the profits and risks of loss in accordance with the partnership agreement or understanding. To carry out these laws and governing regulations, SSA uses Form SSA-7104, Partnership Questionnaire**.**

1. **Description of Collection**

If an individual looks at their earnings record online, or reviews their Social Security Statement and notices their records do not show their earnings as a business partner, they can call SSA or go into a SSA field office to inquire about receiving credit for earnings from a partnership. The SSA technician directs the individual to download Form SSA-7104 (Partnership Questionnaire) from SSA’s website [www.ssa.com](http://www.ssa.com). Once the respondent downloads and completes the SSA‑7104 they can mail or take the form to their local field office. When SSA receives the completed SSA-7104 the SSA technician uses the information on the form to help evaluate and determine whether SSA should credit the individual with the earnings from the partnership.

SSA considers partnership income in determining entitlement to Social Security benefits, as such, the purpose of this collection relates to the application for benefits. SSA uses information from Form SSA-7104 to determine several aspects of eligibility for benefits, including the accuracy of reported partnership earnings; the veracity of a retirement; and lag earnings where SSA needs this information to determine the status of the insured.

We identified the following psychological costs based on the requirements for this information collection:

**Psychological Cost #1**:

* **Requirement for the Program:**  Under the form title, it explains this is “For determination of coverage under Title II the Social Security Act” and requests details of the individual’s partnership and business if the information is needed to establish earnings credits.
* **Psychological Cost:** The respondent may perceive these questions as unduly invasive, and these factors can lead to individuals choosing to delay or abandon completing the form.

We understand these psychological costs may cause respondents to delay their completion of the information collection or cause them to abandon the information collection entirely. However, we require completion of this collection to ensure the individual receives an accurate benefit amount. Therefore, we have taken this potential psychological cost into account when calculating our burden in #12 below.

The respondents are applicants for, and recipients of, Title II Social Security benefits who are reporting partnership earnings.

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

Form SSA-7104 is available as a PDF online, for respondents to fill out, print, and send to SSA for processing. 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.

Per our recent risk assessment, we are not currently able to make the signature line on this form fillable, but we are working on assessing our ability to include this form for submission through the Upload Documents Portal which will allow for eSignature. When SSA is ready to implement an electronically submittable version of this form, we will submit it via Change Request to OMB for approval.

1. **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.

1. **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-7104, agency might not be able to make proper eligibility determinations, potentially causing incorrect payments to beneficiaries. In addition, because SSA collects this information on an as needed basis, the agency 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.

1. **Solicitation of Public Comment and Other Consultations with the Public**

The 60-day advance Federal Register Notice published on April 23, 2024, at

89 FR 30428, and we received no public comments. The 30-day FRN published on July 5, 2024, at 89 FR 55666. If we receive any comments in response to this Notice, we will forward them to OMB.

1. **Payment or Gifts to Respondents**

SSA does not provide payments or gifts to the respondents.

1. **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.

1. **Justification for Sensitive Questions**

The information collection does not contain any questions of a sensitive nature.

1. **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)\*** | **Average Wait Time in Field Office (minutes)\*\*** | **Total Annual Opportunity Cost (dollars)\*\*\*** |
| SSA-7104 (mailed) | 2,154 | 1 | 30 | 1.077 | $31.48\* |  | $33,904\*\*\* |
| SSA-7104 (completed in or brought to a field office) | 2,154 | 1 | 30 | 1,077 | $31.48\* | 24\*\* | $61,040\*\*\*  |
| **Totals** | **4,308** |  |  | **2,154** |  |  | **$94,944\*\*\*** |

We based this figure on average the U.S. citizen’s hourly salary, as reported by Bureau of Labor Statistics data (<https://www.bls.gov/oes/current/oes_nat.htm>).

\*\* We based this figure on the average FY 2024 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**.

In addition, OMB’s Office of Information and Regulatory Affairs 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)\*\*\*\*** |
| 2,154 | 1 | 30 | 1,077 | $33,904\*\*\*\* |

\*\*\*\*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.

**Learning Cost**

We calculated the following Learning Cost time burden based on the estimated time and effort we expect respondents will take to learn about this program, its applicability to their circumstances, and to cover any additional research we believe respondents may need to take to understand how to comply with the program requirements (beyond reading the instructions on the collection instrument):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total Number of Respondents**  | **Frequency of Response** | **Estimate Learning Cost (minutes)** | **Estimated Total Annual Burden (hours)** | **Total Annual Learning Cost (dollars)\*\*\*\*\*** |
| 2,154 | 1 | 30 | 1,077 | $33,904\*\*\*\*\* |

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

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 **30** minutes accurately shows the average burden per response for learning about the program; receiving notices as needed; reading and understanding instructions; gathering the data and documents needed; answering the questions and completing the information collection instrument; scheduling any necessary appointment or required phone call; consulting with any third parties (as needed); and waiting to speak with SSA employees (as needed). Based on our current management information data, the current burden information we provided is accurate. The total burden for this ICR is **2,154** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **$162,752**. SSA does not charge respondents to complete our applications.

1. **Annual** **Cost to the Respondents (Other)**

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

1. **Annual Cost To Federal Government**

The annual cost to the Federal Government is approximately **$16,372**.  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 | $125 |
| 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 | $13,247 |
| 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 | $3,420 |
| Quantifiable IT Costs | Any additional IT costs | $0\* |
| **Total** |  | **$16,372** |

\* 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. In addition, it is difficult for us to break down the cost for processing a single form, as field office, 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 2021, the burden was 12,350 hours. However, we are currently reporting a burden of 2,154 hours. This change stems from both a decrease in the number of respondents using Form SSA-7104, as well as a change in the source of our management information (MI) data to a more accurate source, which shows that our old data showed overestimated numbers for this form. We are correcting for this issue now. These figures represent current MI data.

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 **5,385**, while the burden cited in #12 of the Supporting Statement is **2,154**. This discrepancy is because the ROCIS burden reflects the following components: field office waiting time + a rough estimate of a 30-minute, one-way, drive burden + learning costs. In contrast, the chart in #12 of the Supporting Statement 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**

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.

1. **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.