

**Supporting Statement for the
Social Security Number Verification Services
20 CFR 401.45
OMB No. 0960-0660**

A. Justification

1. Introduction/Authoring Laws and Regulations

Internal Revenue Service (IRS) regulations at 26 *CFR* 31.6051 of the *Code of Federal Regulations (Code)* require employers to provide wage and tax statements to employees and the Social Security Administration (SSA). Under IRS regulations, IRS obligates employers to provide wage and tax data to SSA using Form W-2, or its electronic equivalent. As part of this process, the employer must furnish the employee's name and their Social Security Number (SSN). To record the information to the earnings record, the employee's name and SSN must match SSA's records.

SSA collects the SSN verification information in accordance with 5 *USC* 552a(e)(10) of the *Privacy Act of 1974*, which requires agencies to establish appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records. Also, 5 *USC* 552a(f)(2)&(3) requires agencies to establish requirements for identifying an individual who requests a record or information pertaining to that individual, and to establish procedures for disclosure of personal information. SSA promulgated Privacy Act rules in the *Code of Federal Regulations, Subpart B*. Procedures for verifying identity are in section 20 *CFR* 401.45 of the *Code*.

2. Description of Collection

Currently, SSA receives over two million IRS Corrected Wage and Tax Statement forms, Form W-2Cs (OMB Control No. 1545-0008), that we use to correct problems with original IRS Wage and Tax Statement forms, Form W-2 (OMB Control No. 1545-0008). Many of these W-2Cs deal with invalid name and SSN combinations. We believe most of these W-2Cs are a direct result of information available to employers through SSA's Electronic Wage Reporting process, which allows employers to file wage reports with SSA in a timely and accurate manner. As one of its functions, the Electronic Wage Reporting process informs employers of the names and numbers they reported to SSA that do not match SSA's records.

SSA also maintains the Business Services Online (BSO) web presence at [BSO Suite of Services \(ssa.gov\)](https://ssa.gov/BSO). The Suite of Services allows organizations, businesses, people, employers, attorneys, non-attorneys representing Social security claimants, and third parties to exchange information with Social security securely via the Internet. BSO users register and access the Suite of Services through SSA's current authentication methods (approved under OMB No. 0960-0626 and 0960-0789). Through BSO, SSA offers the Social Security Number Verification Systems (SSNVS), which allows employers to verify that the reported names and SSNs of their employees match SSA's records. SSNVS is a cost-free, voluntary method for employers to verify

employee information via the Internet. SSA annotates data an employer supplies to SSA for verification that does not match SSA's records with a no match indicator and returns it to the employer. SSA retains an audit trail of all supplied data. In addition, SSA uses the data collected as part of its continual evaluation of the SSNVS process. SSA does not use the information provided for any other purposes.

To use SSNVS, an individual representing an employer, or third party, must register through SSA's Integrated Registration for Employers and Submitters (IRES), OMB Control No. 0960-0626. Once registered, users request the service, but cannot use it until they enter an activation code which SSA mails to their employers. This process provides SSA with a positive confirmation the company authorizes the user to perform the verifications for the company. The system uses a User ID and Password to verify the identity of the users, thus allowing them to use SSNVS.

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

- **Psychological Cost:**
 - **Requirement for the Program:** Registering with IRES, which requires an activation code mailed to the respondent's employers.
 - **Psychological Cost:** Some respondents may find both the registration process and requirement for SSA to send an activation code to their employers tedious.

We understand that this psychological cost may cause some respondents to delay their completion of the registration process or cause them to abandon the information collection entirely. Even so, we need to proceed in this manner to ensure the respondent's company confirms their employment and authorization to use SSNVS. Therefore, we have taken this potential psychological cost into account when calculating our burden in #12 below.

The respondents are employers who need to verify SSN data using SSA's records.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act plan, SSNVS is a fully electronic, Internet-based service. Based on our data, we estimate 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 preclude duplication. SSA does not use another collection instrument to obtain similar data.

5. Minimizing Burden on Small Respondents

This collection does not affect small businesses or other small entities.

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

Failure to provide the SSNVS service would deny employers the ability to verify employee SSNs, making it more difficult to provide correct W-2 information. In addition, SSNVS is a fast, convenient, and secure service that saves time and effort when preparing and correcting W-2 forms submitted to SSA. Use of this service reduces phone calls for requests for verifications; mailing verification materials; and the need to visit SSA field offices to obtain name and SSN information. Because the service is voluntary, we cannot collect the information 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 July 5, 2024, at 89 FR 55666, and we received no public comments. The 30-day FRN published on November 6, 2024, at 89 FR 88105. 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

Please see the burden chart below:

Modality of Completion	Number of Respondents	Frequency of Response	Number of Responses	Average Burden per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost Amount (dollars)*	Total Annual Opportunity Cost (dollars)**
SSNVS	44,391	60	2,693,460	5	221,955	\$43.65	\$9,688,336**

* We based this figure on the average hourly wage for Accountants and Auditors, as reported by the U.S. Bureau of Labor Statistics data (<https://www.bls.gov/oes/current/oes132011.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 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)***
44,391	1	5	3,699	\$161,461***

*** 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 **60** 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 **221,955** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$9,849,797**. 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 **\$110,300**. This estimate accounts for costs from the following areas:

Description of Cost	Methodology for	Cost in Dollars*
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Factor	Estimating Cost	
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	\$10,300
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	\$100,000
Quantifiable IT Costs	Any additional IT costs	\$0*
Total		\$110,300

* 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. 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 this information collection.

15. Program Changes or Adjustments to the Information Collection Request

When we last cleared this IC in 2021, the burden was 224,455 hours. However, we are currently reporting a burden of 221,955 hours. This change stems from an decrease in the number of responses from 2,693,460 to 2,663,460. 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.

* Note: The total burden reflected in ROCIS is **225,654**, while the burden cited in #12 of the Supporting Statement is **221,955**. This discrepancy is because the ROCIS burden also reflects the learning costs (which we needed to add as a separate IC, as the learning costs only occur once per respondent). In contrast, the chart in #12 of the Supporting Statement reflects actual burden for the information collection.

16. Plans for Publication Information Collection Results

SSA will not publish the results of the information collection.

17. Displaying the OMB Approval Expiration Date

SSA is not requesting 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. Collection of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.