

SUPPORTING STATEMENT - PART A

Secondary Dependency Application Form – OMB Control Number 0730-0014

Summary of Changes from Previously Approved Collection

- *Removing DD Forms 137-3, 137-5, 137-6, and 137-7. Replacing with a consolidated DD Form 137 that includes all of the information required for any dependency type.*
- *Due to the significant changes to the form, the estimated burden is also changing. The Defense Finance and Accounting Service recommended to improve not just the Incapacitated Adult Child dependency but all dependency types. Streamlining the documents into a single DD 137 will benefit the sponsor and the adjudicators and ultimately reduce the burden for both.*

1. Need for the Information Collection

The consolidated DD Form 137 is being created in direct support of the updated DoD Financial Management Regulation (DoD FMR) Volume 7A, chapter 26: “Housing Allowances,” which published in May 2024. To align with the DoD FMR, this revised information collection requests calls for the retirement of current forms DD 137-3,5,6, and 7 and replacement of these forms with one consolidated DD137 form. Back in June of 2020, the “GAO-20-335 Department of Defense” recommended the department improve the management and oversight of dependency determinations for Incapacitated Adult Children. The Defense Finance and Accounting Service (DFAS) recommended to improve not just the Incapacitated Adult Child dependency but all dependency types. Streamlining the documents into a single DD 137 will benefit the sponsor. The benefits include increased clarity/removed subjectivity, standardized language across customer communications and form instructions, questions aligned with pertinent information to complete a financial determination, rearranged sections in a comprehensive manner, aligned legal requirements with the questions contained in the form, and a more easily understood process.

Since DoD adopted the definition of support (October 2022) to align with the Internal Revenue Service, a sponsor’s previous year tax returns can be utilized as evidence of support. However, the Secondary Dependent must still meet the other definitions of a “dependent” under 10 U.S.C. §1072. If the sponsor refuses or is unable to provide a tax return, the sponsor can complete a worksheet (similar to that used by the IRS) that substantiates support within the DD137. The new DD137 consolidates all of the needed information from current DD 137 forms; it requires sponsors to attest that they are providing over 50% support to a dependent and incorporates the new financial/support requirements adopted by the Department of Defense.

2. Use of the Information

DD Form 137 will be submitted by sponsors to apply for benefits. Benefits may include; Increase Basic Allowance for Housing, Uniformed Services Identification and Privileges Card, travel allowances, Commissary and Exchange privileges, and Morale, Welfare, and Recreation benefits. In order for the sponsor to receive benefits, the sponsor must provide proof of dependent's support by providing the DD137, the prior year tax return or worksheet for determining financial support, and any other supporting documents required for the particular benefit being applied for. If the proper supporting documents are not provided, it is uncertain if an entitlement to a benefit exists. The requirement to complete these forms alleviates the opportunity for fraud, waste, and abuse of dependent benefits.

DFAS reviews the completed DD137 and all supporting documents to determine if the sponsor is eligible for benefit. Upon completion of the claim review process, the Claims Examiner either approves or disapproves the claim for benefits. If the claim is disapproved, the form, with all supporting documentation, is returned to the sponsor with the reason that the claim was disapproved. If approved, the sponsor is notified, and the benefits applied for begin.

The form is available on the DoD Forms website and can be returned through the askDFAS submission portal on dfas.mil (<https://www.dfas.mil/militarysponsors/SecondaryDependency/SDC.html>), or through U.S. mail to the address listed on dfas.mil.

3. Use of Information Technology

About 75% of completed collection instruments are received electronically. Respondents may complete the form online, print and either mail the completed form and documentation for processing or submit the through the ask DFAS submission portlet on the dfas.mil website.

4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

5. Burden on Small Businesses

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

6. Less Frequent Collection

Financial information and living arrangements change frequently; therefore, new dependency statements must be updated on an annual basis. When a qualified family event occurs, a new form must be submitted. Less frequent collection of information could result in ineligible sponsors receiving benefits.

7. Paperwork Reduction Act Guidelines

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-Day Federal Register Notice for the collection published on Monday, March 18, 2024. The 60-Day FRN citation is 89 FR 19301.

No comments were received during the 60-Day Comment Period.

A 30-Day Federal Register Notice for the collection published on Wednesday, June 26, 2024. The 30-Day FRN citation is 89 FR 53400.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the 60-day Federal Register Notice was conducted for this submission.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

Respondents are assured confidentiality, to the extent provided by law, via the Privacy Act Statement on the form. DFAS certifies that the information collected is maintained in accordance with the Privacy Act of 1974, and OMB Circular A-130, Management of Federal Information Resources.

SORNs associated with this collection of information are:

T7340, Defense Joint Military Pay System – Active Component at:

<http://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570191/t7340/>.

T7344, Defense Joint Military Pay System – Reserve Component at:

<http://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570195/t7344/>.

T7347b, Defense Military Retired and Annuity Pay System Records at:
<http://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570196/t7347b/>.

M01040-3, Marine Corps Manpower Management Information System at:
<http://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570625/m01040-3/>.

A Privacy Impact Assessment (PIA) is not required for this collection because PII is not being collected electronically.

Records are retained and disposed of in accordance with DFAS Records Schedule 5015.2-M.

11. Sensitive Questions

Disclosure of the Social Security Number (SSN) is used for positive identification due to the payment of a benefit and tax purposes. A justification memo is being submitted as part of the OMB submission package.

12. Respondent Burden and its Labor Costs

Part A: ESTIMATION OF RESPONDENT BURDEN

1) Collection Instrument(s)

DD Form 137

- a) Number of Respondents: 20,000
- b) Number of Responses Per Respondent: 1
- c) Number of Total Annual Responses: 20,000
- d) Response Time: 1 hour
- e) Respondent Burden Hours: 20,000 hours

2) Total Submission Burden

- a) Total Number of Respondents: 20,000
- b) Total Number of Annual Responses: 20,000
- c) Total Respondent Burden Hours: 20,000 hours

Part B: LABOR COST OF RESPONDENT BURDEN

1) Collection Instrument(s)

DD Form 137

- a) Number of Total Annual Responses: 20,000
- b) Response Time: 1 hour
- c) Respondent Hourly Wage: \$21.53
- d) Labor Burden per Response: \$21.53
- e) Total Labor Burden: \$430,600

2) Overall Labor Burden

- a) Total Number of Annual Responses: 20,000
- b) Total Labor Burden: \$430,600

*The respondent wage was determined by using the 2024 Military Pay Chart (<https://www.dfas.mil/MilitarySponsors/payentitlements/Pay-Tables/Basic-Pay/EM/>)

13. Respondent Costs Other Than Burden Hour Costs

25% of the respondents (25% x 20,000 = 5,000) currently mail the form and supporting documentation back through the US Post Office at an average cost of \$1.50 (5,000 x \$1.50 = \$7,500.00).

14. Cost to the Federal Government

Part A: LABOR COST TO THE FEDERAL GOVERNMENT

1) Collection Instrument(s)

DD Form 137

- a) Number of Total Annual Responses: 20,000
- b) Processing Time per Response: 0.5 hours
- c) Hourly Wage of Worker(s) Processing Responses: \$25.02
- d) Cost to Process Each Response: \$12.51
- e) Total Cost to Process Responses: \$250,200

2) Overall Labor Burden to the Federal Government

- a) Total Number of Annual Responses: 20,000
- b) Total Labor Burden: \$250,200

Hourly wage based on Federal Civil Service 2024 Pay Structure

(<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/general-schedule>)

Part B: OPERATIONAL AND MAINTENANCE COSTS

1) Cost Categories

- a) Equipment: \$0
- b) Printing: \$1,200 (20,000 decision letters x \$.06)
- c) Postage: \$13,600 (20,000 x \$.68 = \$13,600)
- d) Software Purchases: \$0
- e) Licensing Costs: \$0
- f) Other: \$0

2) Total Operational and Maintenance Cost: \$14,800

Part C: TOTAL COST TO THE FEDERAL GOVERNMENT

- 1) Total Labor Cost to the Federal Government: \$250,200
- 2) Total Operational and Maintenance Costs: \$14,800
- 3) Total Cost to the Federal Government: \$265,000

15. Reasons for Change in Burden

This document recommends the retirement of current forms DD 137-3,5,6, and 7 and replace the forms with one consolidated DD137 form. Back in June of 2020, the “GAO-20-335 Department of Defense” recommended the department improve the management and oversight of dependency determinations for Incapacitated Adult Children. The Defense Finance and Accounting Service recommended to improve not just the Incapacitated Adult Child dependency but all dependency types. Streamlining the documents into a single DD 137 will benefit the sponsor and also the adjudicators which ultimately will reduce the burden from both the sponsor and adjudicators.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to “Certification for Paperwork Reduction Submissions”

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.