

SUPPORTING STATEMENT

Internal Revenue Service

Repayment of a buyout prior to re-employment with the Federal Government

OMB control number 1545-1920

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Public Law (PL) 103-226, PL 104-208, and PL 107-296 require an individual who received a buyout at the time of separation from the Federal Government to repay the entire amount of the buyout (including all deductions for taxes) to their former agency, if they are re-employed within 5 years following the effective date of separation on which the payment was based. This requirement applies to any employment, of any length, in any entity of the Federal Government. PL 104-208 and 107-296 requires the repayment be made prior to the employee's first day of employment. PL 103-226 allows for the repayment over an extended period.

Form 12311 outlines the laws and regulations requiring those employees being rehired by the government and received a buyout from their previous job to make repayment of the buyout before they will be hired again.

2. USE OF DATA

The data will be used by the IRS to determine if an applicant was previously employed by the Federal Government, and if they received a Buyout within the last 5 years prior to employment.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

We have no plans at this time to offer electronic filing because of low volume compared to the cost of electronic enabling.

4. EFFORTS TO IDENTIFY DUPLICATION

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

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

There are no small entities affected by this collection.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Failure to collect and retain the information outlined in the regulations could affect the hiring process and tax obligations to the potential employee (taxpayer). This could result in tax penalties to the taxpayers and inconsistent reporting of data.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances requiring data collection to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

8. **CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

The IRS received no comments during the public comment period in response to the Federal Register notice (89 FR 81988), dated October 9, 2024.

9. **EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift has been provided to any respondents.

10. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 U.S.C. 6103.

11. **JUSTIFICATION OF SENSITIVE QUESTIONS**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the “E-Trak Payroll Services” system, and a Privacy Act System of Records notice (SORN) has been issued for this system under IRS 36.003 – General Personnel and Payroll Records and IRS 34.037 – Audit Trail and Security Records. The Internal Revenue Service PIAs can be found at <http://www.irs.gov/uac/Privacy-Impact-Assessments-PIA>.

Title 26 U.S.C. 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. **ESTIMATED BURDEN OF INFORMATION COLLECTION**

This form outlines the regulations requiring those employees being rehired by the government and received a buyout from their previous job to make repayment of the buyout before they will be hired again.

Authority	Description	# of Respondents	# Responses per Respondent	Annual Responses	Hours per Response	Total Burden
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PL103-226						
PL 104-208						
PL 107-296	Form 12311	6,624	1	6,624	.08	530
Totals		6,624		6,624		530

The following regulations impose no additional burden. Please continue to assign OMB number 1545-1920 to these regulations.

5 CFR 550.710

5 CFR 550.771

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up or maintenance costs for this collection. The collection does not require respondents to obtain specialized equipment or professional services.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Cost estimate for product development is based on a model that considers the following three cost factors for each information product: aggregate labor costs for development, including annualized startup expenses, operating and maintenance expenses, and distribution of the product that collects the information. The costs to the Federal government will vary depending on whether the IRS will incur printing or copying costs for all the materials. These costs do not include any activities such as taxpayer assistance and enforcement. IRS estimates have determined that the cost of developing, printing, distribution and overhead for the form is \$11,957.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

There are no plans for tabulation, statistical analysis, and publication.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form expires as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions to the certification statement.