

Supporting Statement for Form SSA-150
Modified Benefit Formula Questionnaire
OMB No. 0960-0395

A. Justification

1. Introduction/Authoring Laws and Regulations

Sections 215(a)(7) and 215(d)(3) of the *Social Security Act* (Act) contain the formulas the Social Security Administration (SSA) uses to compute Social Security benefits for retired and disabled workers receiving pensions from employment not covered by Social Security. The Technical and Miscellaneous Revenue Act of 1988, *Public Law 100-647*, provided a change in the way SSA computes benefits for retired and disabled workers receiving pensions from employment not covered by Social Security. The purpose of the Windfall Elimination Provision (WEP) is to remove an unintended advantage the Social Security benefit formula provided for people who have substantial pensions from non-covered employment.

2. Description of Collection

The Social Security benefit formula is weighted to replace a greater share of career-average earnings for low-paid workers than for high-paid workers. This means that low-paid workers receive relatively high benefits in relation to their payroll tax contributions, although the dollar amount of their benefits is lower than that provided to high-paid workers.

The benefit formula, however, cannot distinguish between workers who have low career-average earnings because they worked for many years at low earnings in Social Security-covered employment and workers who appear to have low career-average earnings because they worked for many years in jobs not covered by Social Security. (Those years show up as zeros in their Social Security earnings records, which, when averaged, lower their career earnings from covered work.) Consequently, workers who split their careers between covered and noncovered employment—even highly paid ones—may also receive the advantage of the weighted formula.

The windfall elimination provision (WEP) is a modified benefit formula designed to remove the unintended advantage, or “windfall,” of the regular benefit formula for certain retired or disabled workers who spent less than full careers in covered employment and who are also entitled to pension benefits based on earnings from jobs not covered by Social Security. The reduction in initial benefits caused by the WEP is designed to place affected workers in approximately the same position they would have been in had all their earnings been covered by Social Security.

In most circumstances, a claimant would likely identify themselves as having a pension from non-covered employment based on their responses during their initial application for benefits. In those cases, SSA may calculate the WEP for that claimant. WEP is an alternate calculation of the primary insurance amount for individuals who receive a pension based on non-covered employment. If the claimant has the information

available, we enter it into the computer system and do not need to send an SSA-150 (as indicated below – 80% go directly into MCS). Rather, we only need to use the SSA-150 if the claimant does not know the specifics about his or her pension and it is applicable to his or her claim. The SSA-150 collects the information needed to make all the necessary benefit computations. If Social Security determines the WEP applies, the resulting reduction cannot be more than half of the non-covered pension. If a claimant fails to complete the SSA-150, SSA calculates the benefits of applicants by assuming the full WEP reduction. SSA employees collect this information once from the applicant at the time they file their claim. SSA uses Forms SSA-150 (OMB No. 0960-0395) and SSA-58 (OMB No. 0960-0477) in different cases. If the claimant provides the information during the application process (either by phone or in-person), then SSA does not need to use either form. However, if during the interview, the claimants state they have the information at home and just don't have it with them, the claims representative may allow the claimant to write down the information on the SSA-150. If the claimant seems completely unaware of details regarding the pension (i.e., the pension amount, start date, etc.), the claims representative uses the SSA-58, as the claimant might not have the information at hand. Because we use these forms in different situations, and SSA does not need to use the SSA-150 in cases where the claimant needs an SSA-58, we maintain these two forms under separate OMB approvals. The respondents are applicants for old age and disability benefits.

3. Use of Information Technology to Collect the Information

The SSA-150 is available as a fillable PDF on SSA's website. While we currently do not allow for electronic submission of this information collection as described under the Government Paperwork Elimination Act, we updated the form to remove the signature requirement. Therefore, respondents can complete the form electronically, download it, and either send or bring it to a field office for processing, with no need for a wet signature (or a signature of any kind). SSA estimates that approximately 80% of respondents complete the form via a personal interview in a field office with a claims representative who enters the oral responses directly into the Intranet Modernized Claims System (MCS) screens as part of a personal interview with the respondent.

In addition, the agency is planning to convert this form into a submittable PDF within the next 3-6 years. Once we schedule the SSA-150 for submittable PDF implementation, we will submit a Change Request to OMB to obtain approval prior to implementing.

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 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-150, claimants who receive benefits from employment not covered by Social Security would receive an incorrect benefit amount from Social

Security, which would not be compliant with WEP. Because we only collect this information once from each applicant, we cannot collect this 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 June 5, 2020, at 85 FR 34703, and we received no public comments. The 30-day FRN published on August 20, 2020, at 85 FR 51536. If we receive any comments in response to this Notice, we will forward them to OMB. We did not consult with the public in the revision of this form.

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

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-150	21,540	1	25	8,975	\$13.30*	24**	\$233,960***

* We based this figure on the average DI payments based on SSA's current FY 2024 data (<https://www.ssa.gov/legislation/2024FactSheet.pdf>).

** 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)****
17,232	1	30	8,616	\$114,593****

****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 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 10 minutes 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 collection instrument is **8,975** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$348,553**. 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 **\$1,414,276**. This estimate accounts for costs from the following areas:

Description of Cost Factor	Methodology for Estimating Cost	Cost in Dollars*
Designing, Printing, and Distributing the Form	Design Cost + Printing Cost + Distribution Cost	\$1,401
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 employee x # of responses x processing time	\$44,875
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	\$1,368,000
Quantifiable IT Costs	Any additional IT costs	\$0*
Total		\$1,414,276

* 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. First, we often do bulk mailings, and cannot track the cost for a single mailing. In addition, it is difficult for us to break down the cost for processing a single form, as field office and State Disability Determination Services staff often help respondents fill out several 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-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 2017, the burden was 90,000 hours. However, we are currently reporting a burden of 21,540 hours. This change stems a decrease in the number of responses from 12,000 to 2,872. 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 **28,361**, while the burden cited in #12 of the Supporting Statement is **8,975**. 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. In contrast, the chart in #12 above 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.

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.