

Supporting Statement for Form SSA-8240
Authorization for the Social Security Administration to Obtain Wage and Employment
Information from Payroll Data Providers
OMB No. 0960-0807

A. Justification

1. Introduction/Authoring Laws and Regulations

The Social Security Administration (SSA) must establish and verify employment and wage data, along with other factors, when determining whether applicants and beneficiaries meet the requirements to receive Social Security Disability Insurance benefits (SSDI) and Supplemental Security Income (SSI). SSA may use wage and employment information from payroll data providers as a source of this data. The SSA-8240, Authorization for the Social Security Administration to Obtain Wage and Employment Information from Payroll Data Providers, collects authorization from individuals for SSA to obtain wage and employment information from payroll data providers.

Sections 205(a) and 223(d) of the *Social Security Act (Act)* allow SSA to collect wage and employment information that the SSA-8240 form is used to obtain for the purposes of determining entitlement under the SSDI program. Sections 1611(c) and 1612(a)(1) of the Act provide SSA the authority to collect wage and employment information that this form will be used to obtain for the purposes of determining SSI eligibility. Section 1631(e)(1) of the Act requires SSA to verify information from independent or collateral sources when used to determine eligibility for SSI benefits. Section 824 of the *Bipartisan Budget Act (BBA) of 2015, P.L. 114-74 (Section 1184 of the Act)* authorizes SSA to enter into information exchanges with payroll data providers for the purposes of preventing improper payments and improving program administration of the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs. 42 U.S.C. 1320e 3(c)(1) of the *United States Code* defines information exchanges as the automated comparison of our systems of records with records of payroll data providers. 42 U.S.C. 425(c) and 1383(e)(1)(B)(iii) authorize SSA to require each individual applying for, or receiving, SSDI and SSI benefits to provide authorization to obtain any record about the individual held by the payroll data provider whenever SSA determines we need the record in connection with a determination of initial or continuing entitlement to benefits.

2. Description of Collection

Respondents generally learn about the SSA-8240 from SSA staff during benefit applications and while completing reviews of eligibility factors. Respondents may also learn about the authorization while applying online. SSA explains how the authorization will be used; its potential for providing relief from certain reporting penalties; its benefits in potentially avoiding improper payments; and how long it will be in effect. Respondents are provided an acknowledgement statement or copy of their completed response to keep for their records.

SSA uses Form SSA-8240 to secure the authorization we need from the relevant members of the public to obtain their wage and employment information from payroll data providers. Ultimately, SSA uses this wage and employment information to help determine program eligibility and payment amounts during initial applications and in post-entitlement settings. For SSDI, wage and employment information obtained from payroll data providers may be used when evaluating work activity for performance of substantial gainful activity (SGA). For SSI, wages directly affect monthly SSI payment levels; information from payroll data providers may be used in determining SSI payment amounts.

For SSI, SSA may also request authorization from individuals whose income affects an SSI recipient's payment amounts (e.g., parents and spouses; i.e., "deemors").

Providing authorization on the SSA-8240 is voluntary. Individuals who do not provide authorization may need to furnish evidence of wages and employment as needed to determine program eligibility. Once provided, the individual's authorization remains effective until one of the following four events occurs:

- SSA makes a final adverse decision on the application for benefits, and the applicant filed no other claims or appeals under the Title for which SSA obtained the authorization;
- the individual's eligibility for payments ends, and the individual filed no other claims or appeals under the Title for which SSA obtained the authorization;
- the individual revokes the authorization verbally or in writing; or
- the deeming relationship ends (for SSI purposes only).

Should authorization end due to one of the above events, and authorization becomes necessary at a later point, respondents must complete Form SSA-8240 again.

SSA requests authorization on an as-needed basis as part of the following processes: (a) SSDI and SSI initial claims; (b) SSI redeterminations; and (c) SSDI Work Continuing Disability Reviews. The respondents are individuals who file for, or are currently receiving, SSDI or SSI payments, and any person whose income and resources SSA counts when determining an individual's SSI eligibility or payment amount.

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

- **Requirement for the Program:** SSA must request authorization from respondents during claims, reviews of eligibility, and during some work-related reviews. Individuals who do not provide authorization may be presented with the question again in subsequent contacts. The authorization stays in effect long-term unless a terminating event occurs. The SSA-8240 is a broad authorization that may allow SSA to receive information from employers that participate in the payroll data provider's service. Employers that participate now might not participate in the future. Individual circumstances might also change while the authorization remains in effect.

Psychological Cost: The respondent might feel that providing this broad authorization for SSA to receive information from payroll data providers is invasive and stressful. It can be difficult to know if an individual's current or future employers might participate with the payroll provider or if that participation could change in the future. Respondents might feel that they do not have control of the information SSA receives and uses when determining their eligibility for benefits. They might also feel uncertainty about how their reporting responsibilities could be affected if their work changes. Finally, respondents might feel the open-ended term of the authorization is too broad and might experience anxiety about how payroll data provider information might be used in the future.

We understand this psychological cost may cause respondents to delay their completion of the information collection or cause them to abandon the information collection entirely. While providing authorization on the SSA-8240 is voluntary for respondents, SSA is required to ask for authorization during claims and some reviews of eligibility. Therefore, we have taken this potential psychological cost into account when calculating our burden in #12 below. Respondents are SSDI and SSI applicants and beneficiaries.

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

In accordance with the agency's Government Paperwork Elimination Act plan, SSA created the following electronic options for the public to complete Form SSA-8240:

- A version accessible via the Internet; and
- A version completed via an in-office or telephone interview. During the interview, the SSA employee enters the information on the wage and employment information authorization screens accessible through MCS, SSI Claims System, eWork, or iMain.

Form SSA-8240 is also available on SSA's Intranet website for SSA employees to print and mail to the public. Based on its data, SSA estimates approximately 96% of respondents under this OMB number use the electronic version.

This collection does not currently have a fully submittable 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.

In the interim, we evaluated this collection for conversion to a submittable PDF and intend to make this conversion within the next 3-6 years. Once we have the submittable PDF ready for implementation, we will submit a Change Request to OMB for prior approval.

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 collect 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 do not use Form SSA-8240 to collect authorization, we will not be able to obtain wage and employment information directly from payroll data providers as needed, or on a monthly basis via the information exchange. This would prevent SSA from using an automated process to verify wage and employment information. It would also increase the risk of incorrect eligibility determinations, and incorrect payment of benefits for individuals, provided by payroll data providers to SSA. Because we collect this information on an as needed basis, we 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.

8. Solicitation of Public Comment and Other Consultations with the Public

The 60-day advance Federal Register Notice published on June 1, 2023 at 88 FR 35990, and we received no public comments. The 30-day FRN published on September 8, 2023 at 88 FR 62139. 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

SSA calculated the below burden using our management information data and by estimating the amount of time respondents take to learn about the program; receive notices as needed; read and understand instructions; gather the data and documents needed; answer the questions and complete the information collection instrument; schedule any necessary appointment or required phone call; consult with any third parties (as needed); and wait to speak with SSA employees (as needed). In addition, we also considered any potential psychological costs associated with completion of this collection when calculating the 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 (dollar)***
SSA-8240 (paper/pdf.)	150,000	1	8	20,000	\$12.81*	0**	\$256,200
Web Title II & Title XVI Electronic (MCS, MSSICS, and eWork)	697,580	1	3	34,879	\$12.81*	21**	\$3,574,400
Internet	147,820	1	3	7,391	\$12.81*	0	\$94,675
Totals	995,400			62,270			\$3,925,275

* We based this figure on the average DI payments based on SSA's current FY 2023 data (<https://www.ssa.gov/legislation/2023factsheet.pdf>).

** We based this figure on the average FY 2023 wait times for field offices (24 minutes for in office and 19 minutes for telephone), based on SSA's current management information data. We estimate that a majority of these collections are conducted with an SSA representative over the phone or in the office during the course of other contacts (e.g., initial applications, work reviews, etc.); respondents generally do not need to wait on the phone or in the office to

complete this collection.

*** 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.**

SSA does not expect respondents of the SSA-8240 to visit a field office for the sole purpose of completing this form. Rather, we include this authorization to obtain wage and employment information as a secondary form which respondents complete as needed when they are already visiting a field office to complete other applications, most often an application for benefits. Since we account for travel time estimates for the other applications under their own information collection requests, we have not accounted for travel time under this information collection request.

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)*****
995,400	1	7	116,130	\$2,472,408*****

***** 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 our estimate of 8 minutes for paper forms and 3 minutes for electronic modalities 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 collection instrument is **62,270** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$3,816,136**. 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 **\$2,810,405**. 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	\$174
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 (\$23.49) employee x # of responses x processing time <u>Paper</u> -150,000 responses x 8 minutes processing = \$469,800 <u>Electronic</u> -845,400 responses x 7 minutes processing = \$2,316,819	\$2,786,619
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 (.15WYs)	\$23,612
Quantifiable IT Costs	Any additional IT costs	\$0*
Total		\$2,810,405

* 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. We do not track design costs or upkeep costs (as these are based on employee time and may vary from collection to collection). 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. Finally, SSA prefers not to provide breakdowns of estimated payment to employees who process these items for a variety of reasons (only one of which is that it is not possible to do this entirely accurately).

15. Program Changes or Adjustments to the Information Collection Request

When we last cleared this IC in 2020, the burden was 147,026 hours. However, we are currently reporting a burden of **62,270** hours. This decrease stems primarily from a correction to the number of responses. We believe our last renewal reflected inflated annual responses that reflected the total number of active authorization forms we had on file rather than the number of new forms completed each year. The current burden report reflects our best estimate of the number of responses based on management information data from fiscal year 2022 as well as an increase in the estimated time it takes to complete the collection. Although the number of responses changed, SSA did not take any actions to cause this change. We made the correction to the average burden per response per our current management information data; from public responses on how long it takes to gather information for this collection; and based on our estimate for the psychological costs and learning costs on the public. Although we expanded our use of the authorization collected in this form to non-automated contacts with payroll data providers, we do not believe the change in burden estimates is attributed to that additional use because those individuals affected by the change are already using the form to provide authorization, and we did not add new categories of applicants or beneficiaries.

Note: The total burden reflected in ROCIS is **178,400**, while the burden cited in #12 of the Supporting Statement is **62,270**. This discrepancy is because the ROCIS burden reflects the following components: field office waiting time + teleservice waiting time + 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

For the Paper Form SSA-8420, 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.

For the Internet version of Form SSA-8240, 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. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.