

Supporting Statement for Form SSA-131
Employer Report of Special Wage Payments
20 CFR 404.428-404.429
OMB No. 0960-0565

A. Justification

1. Introduction/Authoring Laws and Regulations

For individuals who retire and choose to begin receiving retirement benefits from SSA before the full retirement age, the Social Security Act requires SSA to withhold some or all retirement benefits if the individual continues to earn income greater than a certain level. SSA does this by conducting an Earnings Test (ET)¹ to see if an individual's earned income exceeds the maximum earnings threshold. However, based on Sections 203(f)(5)&(6) of the *Social Security Act (Act)* and 20 CFR 404.428-404.429 of the *Code of Federal Regulations*, the Social Security Administration (SSA) does not count certain payments received by a beneficiary toward the ET threshold even though the payments are considered wages for tax purposes, typically because these earnings occurred in a different year than payment.

For example, oftentimes employers make current payments for work done in a previous year. These special wage payments may appear on the employer wage reports (W-2s), and beneficiary earnings reports to SSA, even though they do not count when applying the ET to the current year. If SSA does not receive prior notification that these wage postings should not be counted in applying the ET, SSA will count the entire amount on the SSA record toward calculating an individual's annual earnings. The purpose of this information collection is to ensure SSA is aware of these types of special wage payments that should not count toward the ET, which in turn can prevent SSA from making incorrect benefit adjustments.

2. Description of Collection

SSA collects information on the SSA-131 to prevent earnings-related overpayments, and to avoid erroneous withholding of benefits. As describe above, a common way erroneous withholding of benefits may occur is if an individual is paid for wages earned in a previous year, as the routine documents SSA may review when applying the ET (such as a W-2) may result in SSA inadvertently assuming the wages were earned in the current year.

In most circumstances, the respondent completes Form SSA-131 retroactively, after SSA has conducted the ET for a beneficiary and made an initial determination to withhold some benefits. Upon notification, the beneficiary may use this form to correct SSA's calculation by proving that they earned certain income in a different year than the payment year reported to SSA. While SSA

¹ For additional information on the ET, please see here (<https://www.ssa.gov/pubs/EN-05-10069.pdf>) or the Congressional Research Services report here (<https://fas.org/sgp/crs/misc/R41242.pdf>).

may accept the retiree's claim of the amount for special wage payments without the form, the form is used in situations including when a retiree might not remember the amount or when the amount of special payment alleged by the retiree seems unreasonable.

Additionally, SSA field offices and program service centers also use Form SSA-131 for awards and post-entitlement events requiring special wage payment verification from employers. Due to potential complexities in box 11 of the W-2 form ("Nonqualified plan"), in certain circumstances an employer may be unable to report non-qualified deferred compensation or section 457 plan payments and deferrals (contributions) if both payments and deferrals occurred during the year. In these cases, SSA instructs employers not to provide information in Box 11 but rather to complete Form SSA-131 to provide SSA with the special payment information.

While we need this information to ensure the correct payment of benefits, we do not require employers to respond to #6. In fact, most of the respondents do not answer the optional #6 unless we specifically request them to answer it, and, in those cases, we ask that the employers answer only #6 (as shown in the burden estimations for question #12 below).

Psychological Cost #1:

- **Requirements for Program:** The Employer Report of Special Wage Payments collects payment information from respondents and uses it to determine eligibility for payable benefits.

Note: The intent of the special wage reporting process is to provide a collection tool that is user friendly and provides an ease of access, while providing SSA with the information needed to make determinations for benefits. SSA uses the information collected to determine the wage amount that should be subjected to the ET for an applicable year.

- **Psychological Cost:** We acknowledge that some respondents may consider these questions as unnecessary, causing those respondents to skip those questions or refuse to provide clear or accurate information. This may lead to frustration and uncooperative respondents and possibly cause the respondents to submit incomplete applications or abandon the application entirely.

We understand these psychological costs may cause respondents to delay their completion of the information collection or cause them to abandon the information collection entirely. However, we require full completion of this collection to continue to receive benefits. Therefore, we have taken this potential psychological cost into account when calculating our burden in #12 below.

The respondents are large and small businesses that make special wage payments to retirees, as well as the retirees themselves.

3. Use of Information Technology to Collect the Information

Many respondents submit a paper version of this form to the SSA field office via USPS mail following notification that their benefits may have been reduced following the ET. Some respondents, including businesses, may proactively submit the paper form, including via fax, to the SSA office in advance of SSA receiving earnings records (e.g. the W-2). SSA created a fillable PDF version of this form for respondents to download, complete, print, and submit to SSA. Per our recent risk assessment, we are not currently able to make the signature line on this form fillable, however, we are working toward that goal through future iterations of our online platforms, such as the Upload Documents portal (OMB No. 0960-0830). At this time, however, we are still unable to allow for electronic signature on this form.

However, it is also possible to submit the information electronically via the Special Wage Reporting Business Services Online Screens, <https://www.ssa.gov/bsowelcome.htm>. Per SSA's current management information data, about 77% (90,023) respondents annually currently use the Business Services Online screens to submit this information.

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 significantly affect small businesses or other small entities. However, we may contact some small businesses as needed when beneficiaries are unable to provide the special wage information. We minimize the burden by carefully reviewing the form and ensuring that we only ask small businesses to complete relevant and necessary questions.

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

If we did not use Form SSA-131, SSA would incorrectly identify the affected beneficiaries as overpaid each year. Because we collect the 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 February 26, 2026, at 91 FR 9671, and we received no public comments. SSA published the second Notice on April 24, 2026, at 91 FR 22195. If we receive comments in response to the 30-day 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

We estimate approximately 117,148 respondents completed Form SSA-131 annually. The following chart shows the burden information for these modalities:

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)*	Total Annual Opportunity Cost for Wait Time (dollars)**
Paper Version: SSA-131 (without #6)	26,854	1	20	8,951	\$45.15*	\$404,138**
Paper Version: SSA-131 (#6 only)	271	1	2	9	\$45.15*	\$406**
Electronic Version: Business Services Online Special Wage Payments	90,023	1	5	7,502	\$45.15*	\$338,715**
Totals	117,148			16,462		\$743,259**

* We based this figure on average Budget Analysts hourly salary, as reported by Bureau of Labor Statistics data, as reported by Bureau of Labor Statistics ([Occupational Employment and Wage Statistics](#)).

** 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.**

Note: Since employers complete these forms, and they either mail them to SSA, or complete them via Business Services Online, we did not include a travel time estimate for this form.

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)***
117,148	1	3	5,857	\$264,444***

***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 **average time in minutes per information collection shown in our chart above** 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 **16,461** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$1,007,703**. 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 **\$11,344,877**. This estimate accounts for costs from the following areas:

Description of Cost Factor	Methodology for Estimating Cost	Cost in Dollars*
Designing and Printing the Form	Design Cost + Printing Cost	\$359
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 3 minutes	\$11,341,098
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	\$3,420
Quantifiable IT Costs	Any additional IT costs	\$0*
Total		\$11,344,877

* 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. 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 2023, the burden was 35,037 hours. However, we

are currently reporting a burden of 16,461 hours. While we are showing a minor increase in the number of respondents, this change stems from an overall decrease in the burden as more respondents are submitting the electronic version of the SSA-131 through Business Services Online which takes significantly less time than it does for respondents to complete the paper version and mail it to SSA. 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 **22,320**, while the burden cited in #12 of the Supporting Statement is **16,461**. This discrepancy is because the ROCIS burden reflects learning costs in addition to the burden for completing the form. 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

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.