Supporting Statement for Form SSA-L4201
Letter to Employer Requesting Wage Information
20 CFR 416.203 & 416.1110
OMB No. 0960-0138

A. Justification

1. Introduction/Authoring Laws and Regulations

Social Security Administration (SSA) must establish and verify wage data, along with other factors, when determining Supplemental Security Income (SSI) eligibility and payment amounts for SSI applicants and recipients. Sections *1611(c)* and *1612(a)(1)* of the *Social Security Act (Act)* provide SSA with the authority to collect the information requested on Form SSA-L4201. Furthermore, 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.

2. Description of Collection

When SSA receives information indicating that an individual's earnings may affect eligibility for benefits or payment amounts, the agency initiates the wage verification process. SSA bases an individual's eligibility for SSI payments, in part, on the amount of countable income the individual receives each month. SSA considers earned income from employment as a source of countable income. SSA requires applicants and recipients to provide documented evidence in support of their income claims to SSA. Specifically, if the applicant or recipient is unable to provide paystubs or checks on their own, SSA determines if their employer is registered with an SSA-approved wage verification company. If the company is not registered, and the applicant cannot provide a W-2 or similar tax form, and the company did not report their income in databases such as the Master Earnings File, National Directory of New Hires, Interstate Benefits Inquiry, or SSA Access to State Records Online, SSA staff attempts to call the employer to confirm the applicant or recipient's earnings record verbally. If SSA cannot contact the employer by telephone, or if the employer does not provide the requested information verbally, SSA mails the employer a cover letter explaining what information SSA is requesting, along with Form SSA-L4201 which has prefilled sections identifying the information SSA needs the employer to complete, in a prepaid reply envelope, and asks the employer to mail the completed form back to SSA, or if the cover letter provides a fax number, the employer can fax the SSA-L4201 back to SSA.

SSA uses Form SSA-L4201 for wage verification in initial and post-entitlement (i.e. redetermination) claims; the form collects current and past wage data based on when it was paid, any deductions for an employee's participation in a cafeteria plan, and any garnishments for child support payments directly from employers. Employers who receive Form SSA-L4201 may also return a detailed payroll printout, with explanations of the items on the printout, in lieu of completing Form SSA-L4201.

While SSA requires applicants and recipients to provide wage information, the collection of this information is voluntary for respondents, therefore, SSA reminds employers that their response is an important component to the applicant or recipient's benefit determination and payment amount. Requesting this information from the employer can be useful in helping SSA identifying the timeline of income that a recipient may have received since the employer is the ultimate source of accurate information about an employee's work and earnings.

SSA uses two separate forms to collect wage verification from employers based on the differing policy requirements for each program: SSI vs. Social Security Disability Insurance (SSDI). These forms request information from the same source (i.e., the employer) but the information each form requests is specific to each program's requirements for wage data.

SSA uses Form SSA-L725, Letter to Employer Requesting Information about Wages Earned (OMB 0960-0034) for wage verification in initial and post-entitlement claims for SSDI program. Form SSA-L725 collects current and past wage data based on when the claimant earned wages versus when the employer paid wages. Per the law, Form SSA-L725 does not request sick or vacation pay because SSDI does not consider income that is not directly related to productivity since it does not reflect services performed. In addition, SSDI cannot use the SSA-L4201 to collect earnings information, because it creates undue hardship for employers to provide cafeteria plan and child support garnishment information when it is not needed for SSDI determinations.

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

- **Psychological Cost #1**:
  - **Requirement for the Program:** The SSA-L4201 asks the employer to provide monthly earnings information for the applicant or recipient so SSA can determine the individual's eligibility to benefits.

  - **Psychological Cost:** The respondents might perceive that the questions could have a negative impact on the employee, and some may find the process stressful, or stop answering the questions 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 for the claimant to receive (or continue to receive) payments. Therefore, we have taken this potential psychological cost into account when calculating our burden in #12 below.

The respondents are the employers of SSI applicants and recipients.

3. Use of Information Technology to Collect the Information

SSA solicits the information from employers using paper Form SSA-L4201 when we exhausted all other methods of wage verification, including applicant-provided documents, database searches, and over-the-phone verification. SSA employees then enter the information into the SSI Claim System. This collection does not currently have a fully public-facing Internet version, as we prioritized other information collections for full electronic conversions. However, as noted in #5 below, we prioritize a number of sources for wage evidence over employer contact. Prior to contacting employers, we attempt to obtain pay slips, evidence from SSA-approved wage verification companies, and wage data from the Office of Child Support Enforcement (OCSE), among other sources mentioned above in #2. Further, we try to collect information directly from employers via telephone interviews, which allows SSA employees to record the information directly into the SSI Claim System, before sending them the paper form. SSA only sends the paper Form SSA-L4201 when we are unable to reach the employers by telephone. If SSA sends the paper Form SSA-L4201, we request the employer mail the SSA-L4201 back to SSA, or fax the form to SSA if we provide a fax number on the letter.

4. Why We Cannot Use Duplicate Information

SSA does use a similar form (SSA-L725, OMB No. 0960-0034) for Retirement, Survivors, and Disability Insurance (RSDI) purposes. However, that form is not suitable for SSI purposes because of the difference in the "earned income" information used by the two programs. Specifically, the difference between when the claimant earned the earned income versus when the claimant received the earned income. The amount actually paid in a given month is critical to correct payments for SSI purposes, and the amount earned in a given month is significant for RSDI purposes. Therefore, we need the SSA-L4201 to collect specific data for SSI purposes.

5. Minimizing Burden on Small Respondents

SSA may use the SSA-L4201 to collect wage information from small businesses; however, the employer response is voluntary. Before SSA collects information using the SSA-L4201, we try to minimize the burden on the employer by first attempting to verify past wages (e.g., via employee payroll slips or wage receipts) and estimate future wages using evidence the claimant provides. If payroll slips are unavailable, we accept wage verification from an SSA-approved wage verification company as primary evidence of wages. SSA will even consider secondary evidence of wages received via data exchanges prior to attempting verification with employers. SSA only contacts the employer to verify wages after attempting exhaustive efforts to obtain wage evidence from other sources. SSA does not have a specific data collection form for the collection of information taken by telephone; rather, we use the same fields as those used when inputting submitted SSA-L4201 to determine what questions to ask employers during a phone interview. SSA claims representatives responsible for obtaining and recording wage information record this information on the paper Form SSA-L4201. If SSA is unable to collect wage information from the employer over the telephone, then SSA mails the SSA-L4201 to the employer. Based on the above, this collection does not significantly affect small businesses or other small entities.

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

For SSA to ensure correct payments and minimize overpayments to SSI claimants and recipients, SSA must verify income and information about current wages. If we did not collect this information there is an increased potential for incorrect SSI payments. If we updated the wage information less frequently, it could cause an increase in inaccurate payments to recipients. Therefore, 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 April 27, 2026, at 91 FR 22569, and we received no public comments. The 30-day FRN published on June 26, 2026, at 91 FR 38748. 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**

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 (dollars)**
SSA-L4201	133,000	1	30	66,500	$28.64*	$1,904,560**

* We based this figure on the average Payroll and Timekeeping Clerks hourly salary, as reported by Bureau of Labor Statistics data under the Office and Administrative Support Occupations group (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 the application**.

We did not include travel time as per our current management information data, respondents who complete the paper forms return them to us via mail. Should this change in the future, we will include the language and chart for travel time to a field office.

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)***
133,000	1	5	1,108	$31,733***

***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 **30 minutes** 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 **66,500** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **$1,936,293**. SSA does not charge respondents to complete our applications.

13. Annual Cost to the Respondent (Other)
This collection does not impose a known cost burden to the respondents.

14. Annual Cost to the Federal Government
The annual cost to the Federal Government is approximately $835,367. 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	$3,784
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 processing time	$831,583
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	$0*
Quantifiable IT Costs	Any additional IT costs	$0*
Total		$835,367

* 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. 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

There are no changes to the public reporting burden.

*** Note:** The total burden reflected in ROCIS is **77,583**, while the burden cited in #12 of the Supporting Statement is **66,500**. This discrepancy is because the ROCIS burden also reflects the 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

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.