Supporting Statement for Form SSA-640
Financial Disclosure for Civil Monetary Penalty (CMP) Debt
20 CFR 498
OMB No. 0960-0776

A. <u>Justification</u>

1. Introduction/Authoring Laws and Regulations

Section 204 (a) and Section *1129* of the *Social Security Act (Act)* governs the imposition of civil monetary penalties (CMP) and assessments on individuals for fraudulent conduct related to Social Security Administration (SSA) administered programs. This section lists the methods SSA uses to collect the CMP, including benefit withholding and installment agreements. For SSA to determine a monthly repayment amount, the agency needs financial information from the CMP-imposed individual, which SSA captures using the SSA-640, Financial Disclosure for CMP Debt. The policies for implementing Section *1129* of the *Act* are in *20 CFR 498* of the *Code of Federal Regulations*.

2. Description of Collection

SSA refers a person suspected of fraud or other misconduct to the Office of the Inspector General (OIG). If OIG investigates and validates that fraud or other misconduct occurred, but the U.S. Attorney declines to prosecute and issues the formal "declination" required by statute, OIG may refer the case to its Office of the Counsel for Investigations Enforcement (OCIE), which in turn may impose a Civil Monetary Penalty (CMP) after an adjudication.

The law authorizes the Commissioner of SSA to impose an assessment equal to or up to twice the amount of the overpayment that results from a false or misleading statement, representation, omission of fact, or misuse of benefits. Once SSA imposes and finalizes the CMP, SSA's Operations department is responsible for posting the CMP on the Master Beneficiary Record, the Supplemental Security Record, or both and for collecting the debt. Currently, SSA can pursue recovery of CMPs by withholding monthly Title II benefits; withholding monthly Title XVI benefits; withholding monthly Title VIII benefits; billing and follow-up; or initiating a civil action.

SSA uses Form SSA-640, Financial Disclosure for CMP Debt, to obtain the information necessary to determine a monthly installment repayment rate for individuals owing a CMP. The questions Form SSA-640 asks provides SSA with up-to-date information about the respondent's resources, income, and expenses to help inform an appropriate repayment rate.

Respondents typically learn about CMPs and related information collection requirements through official notices which SSA or OIG send that explain the penalty, payment instructions, and any forms the respondents need to complete. To respond, individuals can access information and required forms through mailed packets, SSA field offices, or by contacting SSA directly. If a respondent is experiencing financial hardship and requests a lower withholding rate, SSA requires the respondent to complete Form

SSA-640 and provide SSA with supporting documentation to help SSA assess their situation.

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

<u>Psychological Cost #1:</u>

- **Requirement for Program:** Form SSA-640 asks questions to provide SSA with up-to-date information about the respondents' resources, income, and expenses to help inform an appropriate repayment rate.

- **Psychological Cost:** Respondents experience stress, discomfort, and anxiety regarding discussions of their financial information and need to repay an overpayment which may cause respondents to delay their completion of the SSA-640, or to abandon completing the SSA-640 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 recipients of Social Security benefits and non-entitled individuals who must repay a CMP to the agency and choose to do so using an installment plan.

3. Use of Information Technology to Collect the Information

Form SSA-640 is available on SSA's website in a fillable PDF format. Once respondents complete the form, they print it, sign it, and mail it to, or drop it off, at an SSA field office with supporting documentation using the prepaid return envelope. We estimate that the majority of the respondents use this method to complete the form and return it to SSA.

In addition, this collection has a public-facing fillable and submittable PDF version which the respondent can submit using SSA's Upload Documents Portal (OMB No. 0960-0830). Upload Documents allows the respondent to complete the static fillable PDF, electronically sign it, and submit the information through the Upload Documents Portal. The submittable version mirrors the paper version and provides respondents with an online service option as an alternative to mailing, faxing, or bringing the form to an SSA field office. Use of the Upload Documents Portal does not require respondents to download and install the application locally on their device or pay any subscription or licensing fees, and we account for the burden to navigate to the form in Upload Documents under OMB No. 0960-0830. Currently our management information (MI) data shows that only a few respondents are choosing to use this method to submit the SSA-640, as we only recently added this form to Upload Documents. Since the burden for completing the static PDF remains the same as filling the form out with an SSA technician, we do not show any separate burden for the fillable PDF version in #12 below.

At this time, SSA is also working to create a dynamic pathing webform through Upload Documents for this information collection. The dynamic pathing webform will allow respondents to complete the SSA-640 completely online, and only need to answer those questions which pertain to them. We will submit a Change Request when we are ready to implement the dynamic pathing webform.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the way 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 SSA did not use Form SSA-640, we would have no means of allowing imposed individuals to participate in a revised installment repayment agreement. Because we only collect the information on an as needed basis, at the discretion of the respondent, 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 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. We did not consult with the public in the development 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 4*2 U.S.C. 1306*, *20 CFR 401* and 4*02*, *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

Please see the burden chart below:

Method of Completion	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Cost Amount (dollars)*	Average Wait Time in Field Office (minutes) **	Total Annual Opportunity Cost (dollars) ***
SSA-640	10	1	120	20	$23.91*	20	$550***

* We based this figure by averaging both the average disability payments based on SSA's current FY 2026 data (Effect of COLA on Average Social Security Benefits), and the average U.S. worker's hourly wages, as reported by Bureau of Labor Statistics data (Occupational Employment and Wage Statistics).

** We based this figure on the average FY 2026 wait time for field offices (22 minutes), based on SSA's current management information data. This figure reflects both data from our systems and the data posted on our public facing website (Social Security performance | SSA) on the date we drafted this document. As the figures fluctuate daily, the wait times may be different on the website than they appear here. We continue to monitor our website and management information data on call back times to ensure we report updated figures when possible.

*** 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 (OIRA) 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)****
10	1	30	5	$120****

****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 time and opportunity cost estimates in the paragraph below.

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)*******
10	1	10	2	48*****

*****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 **120** 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 ICR is **20** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **$550**. 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 **$4,595**. 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	$575
Distribution, 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	$600
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		**$4,595**

* 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. Also, 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. However, the burden shown in ROCIS has changed minorly – see note below.

*Note: The total burden reflected in ROCIS is **30,** while the burden cited in #12 of the Supporting Statement is **20**. 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. In addition, we are showing a minor burden change of 5 minutes in ROCIS due to fluctuations in the field office wait time and the addition of the learning cost.

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.