Supporting Statement for Form SSA-1694
Request for Business Entity Taxpayer Information
20 CFR 404.1707, 20 CFR 404.1735, 20 CFR 416.1507 and 20 CFR 416.1535
OMB No. 0960-0731

A. Justification

1. Introduction/Authorizing Laws and Regulations

Sections *206(a)* and *1631(d)* of the Social Security Act, the Social Security Administration (SSA) collect information to facilitate direct payment of authorized fees to an attorney, or other non-attorney, who represents claimants for benefits before SSA. SSA uses the Form SSA-1694, *Entity Registration and Taxpayer Information*, to meet requirements to issue Form 1099-MISC (Miscellaneous) or Form 1099-NEC (Nonemployee Compensation), as per the Internal Revenue Code, *26 USC 6041* and *26 USC 6045(f)* of the *United States Code*. Sections *20* CFR *404.1735* and *416.1535* of the *Code of Federal Regulations (Code)* establish the criteria for entities to be able to receive fee assignment from a representative, including that we will pay fees assigned to entities exclusively through electronic fee transfer (EFT). Sections *20* CFR *404.1707* and *416.1507* of the *Code*, explains how an individual can be an appointed representative on a claim, such as requiring use of Form SSA-1696 (OMB No. 0960-0527).

2. Description of Collection

SSA allows claimants to appoint another individual to represent them during their interactions with SSA (these representatives are known as "appointed representatives"). SSA makes direct payments to representatives via electronic funds transfers (EFT) or checks. Under SSA's new rules established on December 9, 2024, at the appointed representative's request, we may make direct payment of the representative's authorized fee to the representative's affiliated entity when they meet certain criteria. SSA calls a representative's request to redirect payment of the authorized fee to the affiliated entity "assignment." To receive direct payment of authorized fees, SSA requires the entity to complete form SSA-1694, Request for Business Entity Taxpayer Information. The appointed representative learns about Form SSA-1694 from SSA's website where there is an entire section on representation, Representing SSA Claimants | SSA. SSA does not mail the SSA-1694, as it is available for downloading and printing from SSA's website. The entity completes the SSA-1694 and submits it to SSA via fax (preferred) or in person to a local field office.

Previously, we used the SSA-1694, to register the affiliated entity and issue informational tax documents for the aggregate payments to all representatives affiliated with a specific entity. Under our new rules we collect additional information on the SSA-1694, such as banking institution, to enable us to make payments directly to the entity and report the income to the Internal Revenue Service (IRS) using the IRS Forms 1099-NEC and 1099-MISC. Our new rules

also require representatives to use the SSA-1694 simultaneously with other SSA forms. These include:

- Form SSA-1699, Representative Registration (OMB No. 0960-0732) - All representatives who want to represent claimants before us must first register using Form SSA-1699. We now use this form to capture minimal information for individuals who want to serve as a POC for an entity.

- SSA-1696, Claimant's Appointment of Representative (OMB No. 0960-0527) - Claimants use Form SSA-1696 to appoint and directly pay fees for a particular case to a representative. Representatives also use Form SSA-1696 to assign direct payment of their fee to an affiliated firm or organization.

- SSA-1694, Entity Registration and Taxpayer Information (OMB. No. 0960-0731) – SSA requires entities who want to receive direct payment of fees we authorize to their affiliated representatives to register with us. Registering allows us to document aggregate fees each calendar year and issue Form 1099-NEC to the entity. The POC cannot register the entity until after they register as a representative using Form SSA-1699 and receive a representative ID (Rep ID). Obtaining a Rep ID for the POC is now part of the entity registration process.

Registration is a one-time process; however, when an entity needs to update any information on the registration, the POC on file must complete and submit a new form with the new information and provide the POC signature and date.

SSA uses the Employer Identification Number and other identifiable information to locate all appointed representatives who are associated with the business entity and have received at least $600 in fees.

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

- **Psychological Cost #1**:
    - **Requirement for the Program:** SSA requires respondents to update form SSA-1694 each time the respondent makes changes or updates. The new point of contact submits the updated SSA-1694, and the SSA processes changes and updates with some delay. This could cause delays and potential issues for payments for the representative.

    - **Psychological Cost:** Respondents may feel stressed or anxious due to delays in processing updates, which can create uncertainty about payment timing. In addition, the respondent may become frustrated with the business process and the processing time which could cause the respondent to delay completing the form.

- **Psychological Cost #2**:
  - **Requirement for the Program:** The SSA-1694 application process does not accept the three required representative payee forms simultaneously. The representative submits the SSA-1694, SSA-1699, and SSA-1696 at the same time; however, SSA delays processing the SSA-1696 and SSA-1694 until SSA processes the SSA-1699 to complete the registration. This delay can cause payment issues for the representative.

  - **Psychological Cost:** Respondents may feel stressed or anxious because delays and uncertainty affect timely payment processing.

- **Psychological Cost #3**
  - **Requirement for the Program:** The SSA-1694 application process asks the entity to provide contact information, including the address and EIN. This information helps the SSA associate representatives with their entities and issue the correct 1099 forms. SSA issues a 1099-MISC to representatives affiliated with registered entities and a 1099-NEC to the entity itself. Representatives who operate as sole proprietors or who register with entities not registered with SSA receive a 1099-NEC. The SSA reports fees on the 1099-NEC as income paid directly to or on behalf of the representative. In the past, recipients who worked for a firm and received the previous version of the 1099 with fees reported in Box 7 instead of Box 14 (equivalent to a 1099-NEC) had to prove to the IRS that the payments represented funds paid on behalf of the entity and not additional personal income. Registering an entity allows the SSA to issue IRS forms that clearly indicate whether the representative works with a registered entity or operates as a sole proprietor.

  - **Psychological Cost:** The respondent may be upset about having to submit additional information on the form, and view it as an inconvenience, which could delay in completing the form.

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

The respondents are law firms, non-attorney firms, or other businesses who represent SSA claimants and want to receive direct payments of fees.

3. Use of Information Technology to Collect the Information

Form SSA-1694 is available for download and printing on SSA's website.

SSA prefers the entity to fax the completed SSA-1694 for faster processing; however, the entity can mail or hand-deliver the completed form to a local field office.

This collection does not currently have a fully public-facing Internet version, however; we are in the process of allowing respondents to use SSA's Upload Documents Portal (OMB No. 0960-0830). Upload Documents allows the respondent to complete the fillable PDF 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 for using Upload Documents under OMB No. 0960-0830. Once the electronic submission version of the form is 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 obtain similar data.

5. Minimizing Burden on Small Respondents

This collection does not significantly affect small businesses or other small entities.

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

To receive direct payment of fees, we need to have the information we capture on Form SSA-1694. 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 April 4, 2025, at 90 FR 14891, and we received no public comments. The 30-day FRN published on June 17, 2025, at 90 FR 25734. 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

If the representative elects to assign direct payment of the fee, SSA will make direct payment to the respondent if the firm or organization is properly registered, has an active POC, and direct payment information on file.

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

As stated in #2 above, we need to ask some questions which some respondents may perceive as sensitive in nature to assess their eligibility for direct fee payments under this program or income recording, or both. These include questions regarding their business entity information and their banking information. As such, this information collection may have psychological costs pertaining to collection of personal questions (which we also discussed in #2 above). However, we must ask these questions to evaluate the eligibility for direct fee payment and makes the payment recording and income reporting processes more efficient.

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 -1694	181	1	20	60	$84.84*	$5,090**

* We based this figure on the average legal occupation's hourly salary, as reported by Bureau of Labor Statistics data (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.**

The total burden for this ICR is **60** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **$5,090**. SSA does not charge respondents to complete our applications.

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)****
181	1	15	45	$3,818

**** 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 **15** minutes 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 **60** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **$3,817.80**. 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 **$2,087,876**. 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	$384

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	$206,355
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	$1,881,137
Quantifiable IT Costs	Any additional IT costs	$0*
Total		**$2,087,876**

* 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 representatives complete and submit this form along with several others at the same time. 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 2022, the burden was 156 hours. However, we are currently reporting a burden of 60 hours. This change stems a decrease in the number of responses from 469 to 181, 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 **105**, while the burden cited in #12 of the Supporting Statement is **60**. This discrepancy is because the ROCIS burden 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 exempted SSA from the requirement to print the OMB approval expiration date on its forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that of an OMB approval. 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 discontinue using otherwise usable editions of forms with outdated expiration dates. In addition, SSA avoids Government waste because we will not have to destroy and reprint stocks of forms.

18. Exception 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.