

**Addendum To Supporting Statement For Form SSA-21
Supplement To Claim Of Person Outside the United States
20 CFR 404.460, 20 CFR 404.463, 20 CFR 422.505(b) 42 CFR 407.27(c)
OMB No. 0960-0051**

Revision to the Collection Instrument

Change 1: We are changing the language in the first sentence of the text at the top of the second page (Page 2)

- **Current language:** The U.S. Internal Revenue Code (IRC) requires the Social Security Administration (SSA) to withhold a 25.5 percent Federal income tax from the monthly benefits paid to beneficiaries who are neither citizens nor residents of the U.S. The tax is withheld from the benefits of all nonresident aliens except those who reside in countries that have tax treaties with the U.S. that do not permit the taxing of U.S. Social Security benefits or that provide for a lower tax rate.” to the following: “
- **New language:** The U.S. Internal Revenue Code (IRC) requires the Social Security Administration (SSA) to withhold a 30 percent Federal income tax from the taxable benefits paid to beneficiaries who are neither citizens nor residents of the United States unless exempt (or subject to a lower rate) by tax treaty. Currently, 85 percent of retirement, survivors, and disability social security monthly benefits are considered taxable benefits.”

Justification 1: The Internal Revenue Code requires SSA to withhold a 30 percent Federal income tax from the monthly benefits of nonresident aliens who cannot claim a tax treaty exemption. Sections 871 (a) and 1441 describe the 30 percent tax on the income that is not connected with United States business of nonresident alien individuals. Section 871(a)(3) states that 85 percent of any title II social security benefit or tier 1 railroad retirement benefit will be included in the taxable income that is subject to the 30 percent tax. Although applying a 30 percent tax to 85 percent of the monthly benefit amount results in a withholding of 25.5 percent of the benefit, it is not correct to say that the IRC requires SSA to withhold 25.5 percent Federal income tax to the monthly benefit amount.

Change 2: We are changing “U.S. Immigration and Naturalization Service” and its acronym “INS”, wherever it appears on form SSA-21, to “U.S. Citizenship and Immigration Services” and the acronym of “USCIS”.

Justification 2:

The Immigration and Naturalization Service (INS) changed to the U.S. Citizenship and Immigration Services (USCIS) on March 1, 2007 when it transitioned into the Department of Homeland Security.