

Supporting Statement for Form SSA-21
Supplement to Claim of Person Outside the United States
20 CFR 422.505(b), 20 CFR 404.460, 20 CFR 404.463, 42 CFR 407.27(c)
OMB No. 0960-0051

A. Justification

1. Introduction/Authoring Laws and Regulations

We require information about a beneficiary's citizenship and residency, to determine eligibility for payment of benefits outside the United States, according to: (1) Section 202(t) of the *Social Security Act (Act)*; and (2) 20 CFR 404.460 and 20 CFR 404.463 of the *Code of Federal Regulations (Code)*. Section 202(t) of the *Act* prohibits the payment of monthly benefits to citizens and aliens who have been outside the United States (U.S.) for six consecutive calendar months, unless they can meet an exception to this provision. Under Sections 202(t) and 20 CFR 404.460 of the *Code*, the Social Security Administration (SSA) will not resume payments suspended under this provision until the alien establishes their presence in the United States for an entire calendar month.

Sections 20 CFR 404.460 and 20 CFR 404.463 Subpart E of the *Code* set forth the conditions for continuing eligibility for payment of benefits to aliens outside the U.S. Section 20 CFR 422.505(b) of the *Code*, defines the conditions for continuing eligibility for payment of benefits to aliens outside the United States. Under 42 CFR 407.27(c), individuals enrolled for supplemental medical insurance can also use the form to cancel their coverage because they are leaving the United States.

We require information about citizenship, residency, and alien status to determine whether we must withhold nonresident alien tax per Section 121(c) of *Public Law (Pub.L.) 98-21*, and 26 USC 1441 and 26 USC 871(a)(3) of the Internal Revenue Code (IRC).

This information collection (IC) is a regulatory mandate in compliance with Sections 202(t) of the *Act*; 20 CFR 404.460 and 20 CFR 404.463 of the *Code*; *Pub.L. 98-21*; and 26 USC 1441 and 26 USC 871(a)(3) of the *IRC*.

2. Description of Collection

Claimants or beneficiaries (both United States (U.S.) citizens and aliens entitled to benefits) living outside the United States complete Form SSA-21 as a supplement to an application for benefits. SSA collects the information to determine eligibility for U.S. Social Security benefits for those months an alien beneficiary or claimant is outside the United States, and to determine if tax withholding applies. In addition, SSA uses the information to: (1) Allow beneficiaries or claimants to request a special payment exception in an SSA restricted country; (2) terminate supplemental medical insurance coverage for recipients who request it, because they are, or will be, out of the United States; and (3) allow claimants to collect a lump sum death benefit if the number holder died outside the United States and we do not have information to determine whether the lump sum death benefit is payable under the Social Security Act. The respondents are

Social Security claimants, or individuals entitled to Social Security benefits, who are, were, or will be residing outside the United States for three months or longer.

3. Use of Information Technology to Collect the Information

The SSA-21 is available in PDF form on SSA's website. It is a fillable format as of June 2014, but respondents cannot submit it electronically; rather, respondents must sign and mail the completed form to SSA. SSA did not create an electronic format of the Form SSA-21 because the current estimated number of respondents is less than the agency's Government Paperwork Elimination Act (GPEA) plan cut-off of 50,000. However, as of 9/28/12, SSA incorporated the IC for the SSA-21 into the iClaim application (OMB No. 0960-0618). Therefore, we no longer require claimants using the iClaim application to complete a paper form SSA-21. We estimate about 10 percent of respondents who are subject to mandatory collection use the iClaim application. We adjusted the burden hours for iClaim to accommodate these respondents. Therefore, we do not count that burden under #12 of this IC (to avoid double-counting).

We are currently requesting approval to collect this information using SSA's Modernized Claims System (MCS) through approved macros when a claim is taken by interview in a field office or by phone. Currently, approximately 95 percent of claims that are not directly submitted through the iClaim application are input directly into MCS by an SSA representative conducting a phone or in-person interview. Using the MCS Macros replaces the need for the respondent to complete and send a paper form. Rather, the representative taking an MCS claim will access the approved macros, read the script, ask the questions, and record the answers when the claimant meets the criteria for this IC. In this way, the claims representatives will document the information as part of the MCS electronic claim.

4. Why We Cannot Use Duplicate Information

The nature of the information we are collecting and the manner in which we are collecting it preclude duplication in post-entitlement situations. SSA does not use another collection instrument to obtain similar data. To reduce burden hours and to automate and expedite the claims process, we included the information collection in two electronic applications – the iClaim application and the MCS application. We took steps to eliminate duplication of information in the IC for both of these electronic applications.

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

If we did not collect this information using the paper Form SSA-21 or the MCS Macros, we would not have a method for gathering and recording information used to make determinations under the alien nonpayment provisions (Section 202(t)(2) of the Act) and nonresident alien tax withholding status (26 USC 1441 and 26 USC 871(a)(3) of the IRC) for claimants who do not use the iClaim application, or from beneficiaries who leave the U.S. Without this IC, we risk overpayment of benefits and non-compliance of nonresident alien tax withholding. In addition, as a withholding agent for nonresident

alien tax, the IRS also requires SSA to use IRS Form W-8BEN or an acceptable substitute form to collect and document information used to determine if a tax treaty benefit applies to social security benefits payments. We made changes to the SSA-21 and MCS Macros so this IC meets the requirements as an acceptable substitute form. Finally, since we only collect information when situations met the criteria for mandatory collection of this information, such as new claims where the applicant is not a U.S. citizen and domestic to foreign changes of address, 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 September 11, 2014, at 79 FR 54341, and we received no public comments. SSA published the second Notice on November 19, 2014, at 79 FR 68951. If we receive comments in response to the 30-day 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

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 27,736 respondents use either the paper Form SSA-21 or the new MCS Macros interview. Since the time estimates for completion differ dependent on modality as well as residency, we created the following chart to calculate the burden for this IC. In addition, we also ask fewer questions dependent on citizenship status. The chart below shows the time variance per modality as well as per respondent type:

Modality of Completion	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)
Paper SSA-21 – U.S. Citizens	3,580	1	9	537
Paper SSA-21 – U.S. Resident	3,669	1	15	917

Paper SSA-21 – Resident of Tax Treaty Country	670	1	11	123
Paper SSA-21 – Non-Resident Alien (not a resident of a tax treaty country)	2,557	1	10	426
MCS Macros SSA-21 – U.S. Resident	10,613	1	11	1,946
MCS Macros SSA-21 – Resident of Tax Treaty Country	2,002	1	11	367
MCS Macros SSA-21 – Non-Resident Alien (not a resident of a tax treaty country)	7,409	1	5	617
Totals	30,500			4,933

The total burden for this ICR is **4,933 hours**. This figure represents burden hours, and we also calculated a separate cost burden (see #13 for details).

13. Annual Cost to the Respondents (Other)

The collection does not impose a known cost burden on the respondents.

14. Annual Cost To Federal Government

The annual cost to the Federal Government for these collections is approximately \$123,748.11. This estimate is a projection of the costs for printing the paper forms, as well as collecting and processing the information.

15. Program Changes or Adjustments to the Information Collection Request

The burden decrease stems from our estimated use for the new MCS Macros version of this IC. Since we estimate it will take less time for respondents, we lowered the burden accordingly. In addition, we created individual listings for each type of respondent. As mentioned in #12 above, time estimates for completion differ dependent on modality as well as residency, and we also ask fewer questions dependent on citizenship status; therefore, to show the burden more accurately, we separated out the burden by respondent type and modality.

16. Plans for Publication Information Collection Results

SSA will not publish the results of the information collection.

17. Displaying the OMB Approval Expiration Date

SSA is not requesting an exception to the requirement to display an expiration date.

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.