

Justification

Employer's Quarterly Report of Contributions under the RUIA

RRB Form DC-1 and DC-1 (Internet)

1. Circumstances of information collection - Under Section 8 of the Railroad Unemployment Insurance Act (RUIA), as amended by the Railroad Unemployment Improvement Act of 1988 (Public Law 100-647), beginning in calendar year 1991, the amount of each employer's contribution is determined by the Railroad Retirement Board (RRB), primarily on the basis of RUIA benefit payments made to the employees of that employer. These experience-based contributions take into account the frequency, volume, and duration of RUIA benefits, both unemployment and sickness, attributable to a railroad's employees. Each employer's contribution rate will also include a component for administrative expenses and a component to cover costs shared by all employers.

The basic contribution rates for railroad employers range from a minimum of 0.65 percent to a maximum of 12.00 percent, and the maximum monthly compensation to which employer contributions apply is adjusted for inflation each year. Under the experience-based system, each employer will be notified by the RRB of its experience-based contribution rate by means of an annual notice sent to the employer prior to the calendar year to be reported.

The regulations prescribing the manner and conditions for remitting the contributions and for adjusting overpayments or underpayments of contributions are contained in 20 CFR 345.120. 20 CFR 345 was amended February 25, 2002, to permit electronic online filing of Form DC-1, Employer's Quarterly Report of Contributions under the Railroad Unemployment Insurance Act, via the Pay.gov website.

2. Purposes of collecting/consequences of not collecting the information - The RRB provides a railroad employer with, **Form DC-1, Employer's Quarterly Report of Contributions under the Railroad Unemployment Insurance Act**, to report and remit quarterly contributions. The employer enters the identifying information, the current reporting period, the amounts of compensation and contributions, any necessary adjustments, and the amount of remittance being submitted with the DC-1. The information furnished on the form is used by the RRB to determine whether the contributions were correctly computed and are consistent with the compensation reported for their employees. The information is also used to update the experience rating database each quarter, and is a factor in determining the employer's experience-based contribution rate.

The RRB has a manual and electronic version of the Form DC-1. The DC-1 is the manual version, which is on the RRB.gov website and is fillable and printable, consists of two pages designed for self-completion and provides for the signature of a certifying officer. The instructions for completing the form are provided on the second page. The DC-1 (Internet) is the electronic version can be completed and submitted through the Pay.gov website with the use of a Pay.gov-issued user-id/PIN/Password, which acts as a substitute for a required signature. The instructions and Paperwork Reduction Act are accessible through a link on the form.

The RRB proposes the following changes to the manual and electronic versions of Form DC-1:

- Manual version – Minor non-burden impacting editorial changes.
- Pay.gov version
 - o Changed ZIP +4 from 60611-2092 to 60611-1275
 - o Update Paperwork Reduction Act links to combine them into one link that reads "Click for Instructions and Paperwork Reduction Act Notice."
 - o Update title in second paragraph of Paperwork Reduction Act from Chief of Information Resource Management to Associate Chief Information Officer for Policy and Compliance.

To our knowledge, no other agency uses a form similar to the DC-1.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction - In accordance with our Government Paperwork Elimination Act, Form DC-1 can be completed and submitted through the Pay.gov website with the use of a Pay.gov-issued user-ID/PIN/Password system and a PDF fillable version on the RRB's website available at <https://www.rrb.gov/sites/default/files/2019-03/DC-1.pdf>. **Note: Upon approval of this collection, the RRB will submit the proposed DC-1 (Internet) changes to Pay.gov.**
4. Efforts to identify duplication - This information collection does not duplicate any other information collection.
5. Small business respondents - N.A.
6. Consequences of less frequent collection - Obtaining the employer contributions less frequently by means of Form DC-1 would adversely affect the availability of funds for payment of benefits under the RUIA.
7. Special circumstances - None
8. Consultations outside the agency - In accordance with 5 CFR 1320.8 (d), comments were invited from the public regarding the information collection. The notice to the public was published on page 55580 of the November 6, 2018, Federal Register. No comments or requests for additional information were received. A review of past submissions to OMB indicates the RRB has not received any comments related to this information collection for at least 12 years or 4 renewal cycles.
9. Payments or Gifts to Respondents - N.A.
10. Confidentiality - Internal Revenue Service safeguards by reason of incorporation of 45 USC 358(h); also 45 USC 362(d).
11. Sensitive questions - N.A.

12. Estimate of respondent burden - The current and proposed annual burdens for this collection are shown below.

Current Burden

| Form Number | Annual Responses | Time (Minutes) | Burden (Hours) |
|-------------------------|------------------|----------------|----------------|
| DC-1 (Paper Copy) | 1,235 | 25 | 515 |
| DC-1 (Internet Version) | 1,365 | 25 | 569 |
| Total | 2,600 | | 1,084 |

Proposed Burden

| Form Number | Annual Responses | Time (Minutes) ^{1/} | Burden (Hours) |
|---------------------------|------------------|------------------------------|----------------|
| DC-1 (RRB.Gov) (Manual) | 720 | 25 | 300 |
| DC-1 (Internet) (Pay.Gov) | 1,680 | 25 | 700 |
| Total | 2,400 | | 1,000 |

^{1/}The RRB has been collecting the information on this form since OMB approved the information collection. Based on a sampling done when the form was originally created, the office calculated the estimated time, which includes time for getting the needed data and reviewing the completed form.

The proposed annual responses and burden results are from 600 employers filing on a **quarterly** basis.

| | Responses | Hours |
|---------------------|------------------|--------------|
| Total Burden Change | -200 | -84 |
| Adjustment | -200 | -84 |

13. Estimate of annual cost to respondents or record keepers - N.A.
14. Estimate of cost to Federal government – N.A.
15. Explanation for changes in burden – The estimated total number of responses has decreased by 200, from 2,600 to 2,400 and the burden hours have decreased by 84, from 1,084 to 1,000. These figures are based on the most recent record of responses received. We show the changes as an Adjustment.
16. Time schedule for data collection and publication - The results of this collection will not be published.

17. Request to not display OMB expiration date - The RRB just started an IT Modernization Project Initiative and recently awarded a contract to replatform (transition) our legacy mainframe environment to an open server-based environment. The RRB also plans to enter into a separate contract within the second or third quarter of this fiscal year to assess and re-engineer our business processes with cloud-first in mind. Both projects will be a multi-year effort spanning 5 – 7 years with different contractors. Given the DC-1 is seldom revised, the extensive modernization efforts over the next 5 – 7 years and the competing IT priority projects and limited staffing resources, **the RRB requests authorization to not display the OMB expiration date.**
18. Exceptions to the Certification Statement – None.