

**COMPUTER MATCHING AGREEMENT
BETWEEN
THE SOCIAL SECURITY ADMINISTRATION
AND
THE OFFICE OF PERSONNEL MANAGEMENT**

Match #1045

I. Purpose

This computer matching agreement (agreement) sets forth the terms, conditions, and safeguards under which the Social Security Administration (SSA) will disclose wage and self-employment income data available from tax return information obtained under the authority of 26 U.S.C. § 6103 to the Office of Personnel Management (OPM). OPM will use this earnings and self-employment data obtained from SSA to match against OPM's records of disability retirees under age 60, disabled adult-child survivors, certain retirees in receipt of a supplemental benefit under the Federal Employees Retirement System (FERS), and certain annuitants receiving a discontinued service retirement benefit under the Civil Service Retirement System (CSRS). The law limits the amount that these retirees, survivors, and annuitants can earn while retaining benefits paid to them. Retirement benefits cease upon re-employment in Federal service for discontinued service annuitants. Therefore, OPM will use the earnings and self-employment data from SSA's file to determine continued eligibility for benefits under its program.

II. Legal Authority

This agreement is executed under the Privacy Act of 1974, 5 U.S.C. § 552a, as amended by the Computer Matching and Privacy Protection Act (CMPPA) of 1988, and the regulations and guidance promulgated thereunder.

Legal authorities for the disclosures under this agreement are 5 U.S.C. §§ 8337(d), 8341(a)(4)(B), 8344(a)(4)(b), and 8468, which establish earnings limitations for certain CSRS and FERS annuitants. The authority to terminate benefits may be found in 5 U.S.C. §§ 8341(e)(3)(B) and 8443(b)(3)(B). The Internal Revenue Code (IRC), at 26 U.S.C. § 6103(I)(11), requires SSA to disclose tax return information to OPM upon request for purposes of the administration of chapters 83 and 84 of Title 5 U.S.C.

III. Responsibilities of the Parties

A. OPM

1. On an annual basis, OPM will provide an electronic matching finder file to SSA in a format defined by SSA that contains the necessary identifying information on retirees, survivors, and annuitants.

2. Pursuant to the Privacy Act and the Office of Management and Budget (OMB) Circular A-108, OPM will provide the Congressional committees of jurisdiction and OMB with notice of this program and publish the required matching notice in the Federal Register (Fed. Reg.).

B. SSA

1. SSA will initially verify the Social Security numbers (SSN) of the retirees, survivors, and annuitants in the finder files submitted by OPM.
2. SSA will process only the verified SSNs through SSA's earnings search and return tax information on those SSNs to OPM.

IV. **Justification and Anticipated Results**

A. Justification

OPM is obligated to verify the earnings information submitted by CSRS and FERS retirees, survivors, and annuitants. Federal law authorizes SSA to disclose the data covered by the agreement to OPM (26 U.S.C. § 6103(I)(11)). SSA and OPM have determined that matching is the most efficient and comprehensive method of collecting and comparing this information. No other administrative activity can efficiently accomplish this purpose.

B. Anticipated Results

Based upon matching activities conducted during a review of 2,431 active disability retirement cases from January 2, 2020 through June 30, 2020, there were annual savings of \$1,753,040.57 and overpayment avoidance of \$2,134,401.13. SSA does not expect any savings for any SSA programs to result from this matching program. The cost-to-benefit ratio is 1:0.05. SSA and OPM do not expect significant changes in costs and benefits for the life of this agreement.

V. **Description of Matched Records**

A. Systems of Records

SSA will match the data in OPM's finder file with SSA Enumeration data from the Master Files of Social Security Number (SSN) Holders and SSN Applications, 60-0058, (referred to as the Enumeration System), last fully published at 75 Fed. Reg. 82121 (December 29, 2010) and updated at 78 Fed. Reg. 40542 (July 5, 2013), 79 Fed. Reg. 8780 (February 13, 2014), 83 Fed. Reg. 31250-31251 (July 3, 2018), and 83 Fed. Reg. 54969 (November 1, 2018).

SSA will disclose matched data to OPM from SSA's Earnings Recording and Self-Employment Income System, 60-0059, (referred to as the Master Earnings File (MEF)) last fully published at 71 Fed. Reg. 1819 (January 11, 2006) and amended at 78 Fed. Reg. 40542 (July 5, 2013), and 83 Fed. Reg. 54969 (November 1, 2018).

OPM will provide SSA with a finder file from the OPM system of records, OPM/Central-1, Civil Service Retirement and Insurance Records published at 73 Fed. Reg. 15013 (March 20, 2008) and amended at 80 Fed. Reg. 74815 (November 30, 2015).

The Systems of Records involved in this computer matching program have routine uses permitting the disclosures needed to conduct this match.

B. Specified Data Elements

1. OPM will provide SSA with the following identifying information for each individual for whom OPM requests information: name, SSN, date of birth, and the tax year for the requested earnings.
2. SSA will disclose to OPM the following information for each individual for whom OPM requests information and whose SSN verifies: employer identification number(s), name(s), address(es), wage amount(s) from Form W-2(s), and earnings amount(s) from self-employment income.

C. Number of Records

1. OPM's annual finder file will contain the necessary identifying information for approximately 130,000 individuals.
2. SSA's annual matching response file will contain approximately 130,000 records corresponding to OPM's finder file.

D. Frequency of Matching

SSA and OPM will conduct this match annually. If OPM wants to send an extra finder file in a given fiscal year, OPM may place this request with SSA. The request may be granted, at SSA's discretion, based on the ability of systems resources.

VI. Accuracy Assessments

Based on previous matches with the same files, OPM estimates that its records are approximately 95 percent accurate. OPM estimates that the matching of the identification data with SSA's tax return information is 99 percent accurate.

MEF Databases: SSA does not have an accuracy assessment specific to the data elements listed in this agreement. The correctness of the return information provided to SSA, as an agent for the Internal Revenue Service (IRS), is generally contingent upon the correctness of the information provided by the payer of the income.

Enumeration System: The SSA Enumeration System used for SSN matching is 100 percent accurate based on SSA's Office of Analytics, Review, and Oversight "FY 2018 Enumeration Accuracy Review Report" published in April 2019.

VII. Procedures for Individualized Notice

A. Applicants

Both OPM and SSA will notify all applicants who apply for benefits for their respective programs and who may be subject to the annuity reduction that they will conduct matching programs. Their annuity benefit amount may be subject to revision based on findings from computer matching. OPM's notice consists of appropriate language printed on its application forms or a separate handout with the appropriate language given to annuitants and survivors when their benefits are authorized. SSA includes notice of computer matching on all applications for Social Security benefits.

The IRS provides standard disclosure and Privacy Act notices that advise the taxpayer that IRS may share their tax return information with other Federal and State agencies to determine entitlement to benefits.

B. Retirees and Survivor Annuitants

Both OPM and SSA will provide subsequent notices of computer matching to their respective retirees and survivor annuitants as required. OPM's notice consists of appropriate language printed on survey questionnaires sent annually to all affected retirees and survivor annuitants. For Federal retirement annuitants subject to civil service annuity offsets, SSA provides direct notice of computer matching via annual cost of living adjustment notices.

VIII. Verification Procedure and Opportunity to Contest

A. Verification Procedure

OPM will take no adverse action regarding individuals identified through the matching process (e.g., retirees, survivors, and other annuitants) solely based on information that OPM obtains from the match. OPM will contact the retirees, survivors, and other annuitants to verify the matching results in accordance with requirements of the Privacy Act and applicable OMB guidelines and as described in subsection B of this section.

The affected retirees, survivors, and other annuitants will have an opportunity to contest the accuracy of the information SSA provided. OPM will consider the information SSA provided as accurate if the affected retirees, survivors, and other annuitants do not protest within 30 days after receiving notice of the proposed adverse action. OPM will advise the retirees, survivors, and other annuitants that failure to respond within 30 days will provide a valid basis for OPM to assume that the information SSA provided is correct.

B. Opportunity to Contest

Before taking any adverse action based on the information received from the match, OPM will provide all the retirees, survivors, and other annuitants the following opportunities to contest the action:

1. OPM will advise the individual that OPM received tax return data from SSA that indicates an adverse action affecting the annuitant's CSRS or FERS annuity is necessary;
2. OPM will advise the individual of the effective date of any adjustment or overpayment that may result;
3. OPM will advise the individual that retirees, survivors, and other annuitants have 30 days to contest any adverse decision; and that
4. Unless the retirees, survivors, and other annuitants respond to contest the proposed adverse action in the required 30-day time period, OPM will conclude that the information SSA provided is correct, and will make the necessary adjustment to the payment of the retiree, survivor, or annuitant.

IX. Procedures for Retention and Timely Destruction of Identifiable Records

A. OPM

OPM will retain all identifiable records received from SSA only for the period of time required for any processing related to the matching program. OPM will then destroy the records, unless the information created by the match has to be retained in the individual's permanent case file in order to meet evidentiary requirements. In case of such retention for evidentiary purposes, OPM will retire the retained data in accordance with the applicable Federal Records Retention Schedule (44 U.S.C. § 3303a). OPM will not create permanent files or a separate system comprised solely of the data provided by SSA.

B. SSA

SSA will destroy OPM's identifying information within 90 days of the date OPM acknowledges receipt of the SSA matching response file. SSA will not create a permanent file or separate system containing the identifying information OPM provides to SSA.

X. Record Use, Duplication, and Rediscovery Restrictions

SSA and OPM will adhere to the following limitations on the use, duplication, and redisclosure of the electronic files and data the other agency provides under this agreement:

- A. The data that SSA and OPM provide will remain the property of the providing agency. SSA and OPM will destroy the data (except as provided in Article IX.A) after completing the relevant matching, but not more than 60 days after receipt of the data;
- B. SSA and OPM will use and access the data only for the purpose described in this agreement;
- C. SSA and OPM will not use the data to extract information concerning the retirees, survivors, and annuitants therein for any purpose not specified by this agreement; and
- D. SSA and OPM will not duplicate or disseminate the data, within or outside their respective agencies, without the written permission of the other agency to this agreement, except as required by Federal law. SSA and OPM will not give such permission unless the law requires disclosure or the disclosure is essential to the matching program. For such permission, the agency requesting permission must specify in writing what data they are requesting be duplicated or disseminated and to whom, and the reasons that justify such duplication or dissemination.

XI. Security Procedures

SSA and OPM will comply with the requirements of the Federal Information Security Management Act (FISMA), 44 U.S.C. Chapter 35, Subchapter II; as amended by the Federal Information Security Modernization Act of 2014 (Pub. L. 113-283); related OMB circulars and memoranda, such as Circular A-130, *Managing Information as a Strategic Resource* (July 28, 2016) and Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information* (January 3, 2017); National Institute of Standards and Technology (NIST) directives; and the Federal Acquisition Regulations, including any applicable amendments published after the effective date of this agreement. These laws, directives, and regulations include requirements for safeguarding Federal information systems and personally identifiable information (PII) used in Federal Agency business processes, as well as related reporting requirements. Both agencies recognize and will

implement the laws, regulations, NIST standards, and OMB directives including those published subsequent to the effective date of this agreement.

FISMA requirements apply to all Federal contractors, organizations, or entities that possess or use Federal information, operate, use, or have access to Federal information systems on behalf of an agency. Both agencies are responsible for the oversight and compliance of their contractors and agents.

A. Loss Reporting

If either SSA or OPM experiences an incident involving the loss or breach of PII provided by SSA or OPM under the terms of this agreement, they will follow the incident reporting guidelines issued by OMB. In the event of a reportable incident under OMB guidance involving PII, the agency experiencing the incident is responsible for following its established procedures, including notification to the proper organizations (e.g., United States Computer Emergency Readiness Team and the agency's privacy office.). In addition, the agency experiencing the incident (e.g., electronic or paper) will notify the other agency's Systems Security Contact named in this agreement. If OPM is unable to speak with the SSA Systems Security Contact within one hour or if for some other reason notifying the SSA Systems Security Contact is not practicable (e.g., it is outside of the normal business hours), OPM will call SSA's National Network Service Center toll free at 1-877-697-4889. Within one hour of becoming aware of a possible incident involving OPM-provided PII, SSA will contact OPM IT Security Operations: cybersolutions@opm.gov; 844-377-6109.

B. Breach Notification

SSA and OPM will follow PII breach notification policies and related procedures issued by OMB. If the agency that experienced the breach determines that the risk of harm requires notification to affected individuals or other remedies, that agency will carry out these remedies without cost to the other agency.

C. Administrative Safeguards

SSA and OPM will restrict access to the data matched and to any data created by the match to only those users (e.g., employees, contractors) who need it to perform their official duties in connection with the uses of the data authorized in this agreement. Further, SSA and OPM will advise all personnel who have access to the data matched and to any data created by the match of the confidential nature of the data, the safeguards required to protect the data, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws.

D. Physical Safeguards

SSA and OPM will store the data matched and any data created by the match in an area that is physically and technologically secure from access by unauthorized persons at all times. Only authorized personnel will transport the data matched and any data created by the match. SSA and OPM will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.

E. Technical Safeguards

SSA and OPM will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel in a manner that will protect the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means. Systems personnel must enter personal identification numbers when accessing data on the agencies' systems. SSA and OPM will strictly limit authorization to those electronic data areas necessary for the authorized analyst to perform his or her official duties.

F. Application of Policies and Procedures

SSA and OPM will adopt applicable policies and procedures to ensure that each agency uses the information contained in their respective records or obtained from each other solely as provided in this agreement. SSA and OPM will comply with these policies and procedures, and any subsequent revisions.

G. Security Assessments

NIST Special Publication (SP) 800-37, as revised, encourages agencies to accept each other's security assessments in order to reuse information system resources and to accept each other's assessed security posture in order to share information. NIST SP 800-37 further encourages that this type of reciprocity is best achieved when agencies are transparent and make available sufficient evidence regarding the security state of an information system so that an authorizing official from another organization can use that evidence to make credible, risk-based decisions regarding the operation and use of that system or the information it processes, stores, or transmits. Consistent with that guidance, the parties agree to make available to each other upon request system security evidence for the purpose of making risk-based decisions. Requests for this information may be made by either party at any time throughout the duration or any extension of this agreement.

H. Tax Information

OPM will comply with all applicable Federal Safeguards Requirements pursuant to IRC § 6103(p)(4) and as required by IRS including those described in IRS Publication

1075, *Tax Information Security Guidelines for Federal, State and Local Agencies* (available at <http://www.irs.gov>).

If OPM does not have a currently approved Safeguard Procedures Report (SPR), OPM will submit a new SPR to the Internal Revenue Service's Office of Safeguards detailing how all data received from SSA is processed and protected from unauthorized disclosure within 45 days from the execution of this agreement.

If there are incidents of suspected unauthorized inspections or disclosures of return information, OPM must report incidents to the Treasury Inspector General for Tax Administration and the IRS Office of Safeguards.

XII. Comptroller General Access

The Government Accountability Office (Comptroller General) may have access to all OPM and SSA data, as it deems necessary, to monitor or verify compliance with this agreement.

XIII. Reimbursement

SSA and OPM currently engage in several different matching programs. The programmatic savings to each agency for these matches far outweigh the costs for each agency. SSA and OPM agree that the expenses incurred by each agency in these matches are reciprocal and do not require any reimbursable arrangements between the two agencies.

The attachment provides the cost comparison analysis for reciprocal services that SSA and OPM provide to each other. However, in the event of material changes to the matching programs between SSA and OPM, SSA and OPM agree to make cost adjustments through one or more reimbursable agreements so that neither agency bears a disproportionate share of the costs.

XIV. Duration, Modification, and Termination

A. Effective Date:

The effective date of this agreement is October 20, 2021, provided that OPM reported the proposal to re-establish this matching program to the Congressional committees and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A); and OMB Circular A-108 (December 23, 2016), and OPM published notice of the matching program in the Fed. Reg. in accordance with 5 U.S.C. § 552a(e)(12).

B. Duration:

This agreement will be in effect for a period of 18 months.

C. Renewal:

The Data Integrity Boards (DIB) of OPM and SSA may, within three months prior to the expiration of this agreement, renew this agreement for a period not to exceed 12 months if OPM and SSA can certify to their DIBs that:

1. The matching program will be conducted without change; and
2. OPM and SSA have conducted the matching program in compliance with the original agreement.

If either party does not want to continue this program, it must notify the other party of its intention not to continue at least 90 days before the end of the period of the agreement.

D. Modification:

The parties may modify this agreement at any time by a written modification, agreed to by both parties and approved by the DIBs of each agency.

E. Termination:

The parties may terminate this agreement at any time with the consent of both parties. Either party may unilaterally terminate this agreement upon written notice to the other party, in which case the termination will be effective 90 days after the date of the notice, or at a later date specified in the notice.

Either agency may immediately and unilaterally suspend the data flow under this agreement or terminate this agreement if the agency:

1. Determines that the other agency has used or disclosed the information in an unauthorized manner;
2. Determines that the other agency has violated or failed to follow the terms of this agreement; or
3. Has reason to believe that the other agency breached the terms for security of data. If SSA or OPM suspends the data flow in accordance with this subsection, the agency will suspend the data until it makes a final determination of a breach.

XV. Dispute Resolution

Disputes related to this agreement will be resolved in accordance with instructions provided in the Treasury Financial Manual Volume 1, Part 2, Chapter 4700, Appendix 5, *Intra-governmental Transaction (IGT) Processes and General Information*.

XVI. Persons to Contact

A. SSA Contacts

Matching Agreement Issues

Neil Etter

Government Information Specialist
Electronic Interchange & Liaison Division

Office of Privacy & Disclosures

Office of the General Counsel

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Computer Systems Issues

Angil Escobar

Branch Chief

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Office of Systems

Social Security Administration

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Systems Security Issues

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Director

Division of Compliance and Oversight

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Office of Systems

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Data Exchange Issues

Rona Demb

Data Exchange Liaison

Office of Data Exchange, Policy Publications, and International Negotiations

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B. OPM Contacts:

Matching Agreement Issues

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Operational Issues

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Computer System Issues

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Systems Information Security Issues

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Email: Valerie.Kokal@opm.gov

Privacy Issues

Kellie Cosgrove Riley
Chief Privacy Officer
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Washington, DC 20415
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Email: Kellie.Riley@opm.gov

XVII. Integration Clause

This agreement constitutes the entire agreement of the parties concerning its subject matter. It supersedes all other data exchange agreements between the parties that pertain to the matching of the specified tax return records by SSA with OPM's records on disability retirees under age 60, disabled adult child survivors, certain retirees in receipt of a supplemental benefit under FERS, and certain annuitants receiving a discontinued service retirement benefit under CSRS. SSA and OPM have made no representations, warranties, or promises outside of this agreement. This agreement takes precedence over any other documents that may conflict with it.

XVIII. Authorized Signatures

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement.

SOCIAL SECURITY ADMINISTRATION SIGNATURES

Electronic Signature Acknowledgement: The signatories may sign this document electronically by using an approved electronic signature process. Each signatory electronically signing this document agrees that his/her electronic signature has the same legal validity and effect as his/her handwritten signature on the document and that it has the same meaning as his/her handwritten signature.



Mary Ann Zimmerman
Deputy Executive Director
Office of Privacy and Disclosure
Office of the General Counsel

Date

Data Integrity Board Certification:

Matthew D. Ramsey
Chair
Data Integrity Board
Social Security Administration

Date

OFFICE OF PERSONNEL MANAGEMENT SIGNATURES

Electronic Signature Acknowledgement: The signatories may sign this document electronically by using an approved electronic signature process. Each signatory electronically signing this document agrees that his/her electronic signature has the same legal validity and effect as his/her handwritten signature on the document and that it has the same meaning as his/her handwritten signature.

NICHOLAS
ASHENDEN  Digitally signed by
NICHOLAS ASHENDEN
Date: 2021.07.02
07:47:04 -04'00'

Kenneth Zawodny, Jr.
Associate Director
Retirement Services

Date

Data Integrity Board Certification:

RILEY
KELLIE  Digitally signed by
RILEY KELLIE
Date: 2021.07.29
15:22:39-04'00'

Kellie Cosgrove Riley
Chair
Data Integrity Board

Date

Attachment:
Cost Benefit Analysis

Cost Benefit Analysis

In 2020, OPM began a project to complete SSA disability earnings matches for 2018. The matches have been conducted each year since the project commenced. The match data supplied for this report covers the IRS/SSA disability income year 2018. The match was conducted from January 2, 2020 through June 30, 2020.

OPM staff reviewed 2,431 active disability retirement cases during this match where retirees stated that they had \$0 in earnings. The match identified \$2,134,401.13 in overpayments and there were \$1,753,040.57 in cost savings (collected off-roll because OPM cannot deduct from their annuities; we ask for repayment).

OPM's cost to conduct the IRS/SSA Match

Two Legal Administrative Specialists (LAS) devoted approximately 1,912 human resources hours to conduct the match. The average hourly salary of the two LASs who conducted the match was \$38.35 per hour. The labor cost for the LASs to conduct and complete this match was \$77,602.

SSA Cost

SSA estimates its cost to be \$17,745. (Increased by 5%)

Calculation

OPM Total labor cost: \$77,602
SSA cost: \$17,745
Total Cost: \$85,487
Savings: \$1,753,040.57
Cost Benefit Ratio: 1:0.05