taxpayer records, which the tax agencies in these three entities will provide to us.

In these proposed regulations, we state the circumstances under which we will not send an unrequested statement. Those circumstances, stated in proposed § 404.812(b), are based on our judgment that sending, or attempting to send, a statement to specified categories of individuals would not reasonably be required under section 1143 of the Act.

We will mail the statements throughout the fiscal year, rather than in one mass mailing. This is an administratively effective and costefficient method of handling the more than 6 million statements we will mail in fiscal year 1995 and the nearly 2 million we expect to mail in each fiscal year 1996 through 1999. The statements we send to eligible individuals who attain age 60 during fiscal years 1995 through 1999 or attain age 60 by the start of fiscal year 1995 will be mailed throughout the fiscal year so that individuals will receive statements in the fiscal year in which they qualify to receive one, as required by section 1143.

To implement the third phase of section 1143, i.e., sending an annual statement to eligible individuals who are not receiving benefits under title II of the Act, we will follow essentially the same procedures as those for the second phase of sending statements to eligible individuals age 60 or older, except that we will send statements to all eligible individuals, i.e., those age 25 and older.

In the final rules we published on November 23, 1992 (57 FR 54917), we revised § 404.810 to describe an individual's right to obtain a statement of earnings and benefit estimate, how to request it, and the information we need to comply with the request. In a new § 404.811, we listed the information that we will furnish in the statement of earnings and benefit estimate. Further, we revised § 422.125 so that most of the rules on statements of earnings and benefit estimates are now located in Subpart I of Part 404.

In these proposed regulations, we are revising § 404.811 for consistency with the new § 404.812, which explains the statement we will send without a request, as required by section 1143(c) of the Act. We will also indicate whether the individual has the required credits (quarters of coverage) to be eligible for each type of benefit, and the ages at which various retirement amounts are potentially payable.

When individuals request statements, they are asked for information about when they expect to retire, i.e., stop working, how much they earned last year, and how much they expect to earn this year and in future years up to

retirement. In § 404.811, we explain that if the individual does not already have the required credits (quarters of coverage) to be eligible to receive benefits, we may include up to eight additional estimated credits (four per year maximum) based on the requester's information about earnings for last year and this year that are not yet on our records. In addition, we state that the benefit estimate will be based partly on the information the requester provided about his or her planned retirement age and current and future earnings.

For the unrequested statements, we will not have information from the individual. Instead, we will estimate the individual's recent and future earnings based on his or her current social security record. In § 404.812, we explain that if there are earnings recorded in either of the two years before the year in which the individual is selected to get a statement, we will use the same earnings amount as that recorded in the later of these two years to project earnings for the current year and future years when we estimate the benefits. In addition, if the individual does not already have the required credits (quarters of coverage) to be eligible to receive benefits, we will use that last recorded earnings amount to estimate up to eight additional credits (four per year) for the last year and the current year. If there are no earnings recorded in either of the 2 years preceding the year of selection, we will not estimate any current and future earnings or additional credits (quarters of coverage) for the individual.

In summary, both §§ 404.811 and 404.812 list the information that we will include in the revised statement format. In addition, § 404.812 explains who will be sent an unrequested statement, who will not be sent an unrequested statement, and the selection and mailing process we will use. We are also proposing to amend § 422.125 to conform it to the changes we have described for subpart I of part 404.

Regulatory Procedures

Executive Order 12866

The Office of Management and Budget has reviewed these rules and determined that they do not meet the criteria for a significant regulatory action under E.O. 12866.

Regulatory Flexibility Act

We certify that these proposed regulations will not have a significant economic impact on a substantial number of small entities since these regulations affect only individuals. Therefore, a regulatory flexibility

analysis as provided in Pub. L. 96–354, the Regulatory Flexibility Act, is not required.

Paperwork Reduction Act

These proposed regulations impose no additional reporting and recordkeeping requirements subject to Office of Management and Budget clearance.

(Catalog of Federal Domestic Assistance Program Nos. 93.802 Social Security-Disability Insurance; 93.803 Social Security-Retirement Insurance; 93.805 Social Security-Survivors Insurance; 93.773 Medicare-Hospital Insurance)

List of Subjects

20 CFR Part 404

Administrative practice and procedure; Blind; Disability benefits; Old-Age, Survivors, and Disability Insurance; Reporting and recordkeeping requirements; Social Security.

20 CFR Part 422

Administrative practice and procedure; Freedom of information; Organization and functions (Government agencies); Social Security.

Dated: June 28, 1994. Shirley Chater, Commissioner of Social Security. Approved: August 31, 1994. Donna E. Shalala,

Secretary of Health and Human Services.

For the reasons set out in the preamble, we propose to amend Subpart I of Part 404 of 20 CFR Chapter III and Subpart B of Part 422 of 20 CFR Chapter III as follows:

PART 404—FEDERAL OLD-AGE, SURVIVORS AND DISABILITY INSURANCE (1950–)

1. The authority citation for Subpart I of Part 404 continues to read as follows:

Authority: Secs. 205(a), (c)(1), (c)(2)(A), (c)(4), (c)(5), (c)(6), and (p), 1102 and 1143 of the Social Security Act; 42 U.S.C. 405(a), (c)(1), (c)(2)(A), (c)(4), (c)(5), (c)(6), and (p), 1302, and 1320b–13.

2. Section 404.811 is revised to read as follows:

§ 404.811 The statement of earnings and benefit estimates you requested.

(a) General. After receiving a request for a statement of earnings and the information we need to comply with the request, we will provide you or your authorized representative a statement of the earnings we have credited to your record at the time of your request. With the statement of earnings, we will include estimates of the benefits