

(ii) as to which the CHX consents, the Commission will:

A. by order approve such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the CHX. All submissions should refer to file number SR-CHX-2003-12 and should be submitted by October 6, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-23417 Filed 9-12-03; 8:45 am]

BILLING CODE 8010-01-P

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48460; File Nos. SR-NASD-2002-162; SR-NYSE-2002-36]

#### Self-Regulatory Organizations; Notice of Extension of Comment Period for the Amendments to Proposed Rule Changes by the National Association of Securities Dealers, Inc. and New York Stock Exchange, Inc. Relating to Supervisory Control Amendments

September 8, 2003.

On August 16, 2002, the New York Stock Exchange ("NYSE" or "Exchange"), and on November 4, 2002, the National Association of Securities Dealers, Inc. ("NASD"), filed with the

Securities and Exchange Commission ("SEC" or "Commission") proposed rule changes pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> regarding the supervisory and supervisory control procedures of member firms. A complete description of the proposed rule changes is found in the notices of filing, which were published in the **Federal Register** on November 27, 2002.<sup>3</sup> On April 28, 2003, the NYSE submitted Amendment No. 2 to the proposed rule change, and on August 7, 2003, the NYSE filed Amendment No. 3 to the proposed rule change. On August 5, 2003, the NASD filed Amendment No. 1 to the proposed rule change, and on August 7, 2003, the NASD filed Amendment No. 2 to the proposed rule change. A complete description of these amendments is found in the notices thereof, which were published in the **Federal Register** on August 13, 2003.<sup>4</sup>

To give the public additional time to comment on the amendments to the proposed rule changes, the Commission has decided to extend the comment periods pursuant to section 19(b)(2) of the Act.<sup>5</sup> Accordingly the comment periods shall be extended until October 3, 2003.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the amendments are consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule changes that are filed with the Commission, and all written communications relating to the proposed rule changes between the Commission and any person other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filings will also be available for inspection and copying at

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release Nos. 46858 (November 20, 2002), 67 FR 70994 (SR-NYSE-2002-36) and 46859 (November 20, 2002), 67 FR 70990 (SR-NASD-2002-162); see also Securities Exchange Act Release No. 46858A (November 27, 2002, 67 FR 72261 (SR-NYSE-2002-36 Correction)).

<sup>4</sup> See Securities Exchange Act Release Nos. 48298 (August 7, 2003), 68 FR 48421 (SR-NASD-2002-162) and 48299 (August 7, 2003), 68 FR 48431 (SR-NYSE-2002-36).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

the principal office of the NASD or NYSE. All submissions should refer to File No. SR-NASD-2002-162 or SR-NYSE-2002-36 and should be submitted by October 3, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-23418 Filed 9-12-03; 8:45 am]

BILLING CODE 8010-01-P

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48459; File No. SR-Phlx-2003-61]

#### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Equity and Index Option Fees

September 8, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on August 29, 2003, the Philadelphia Stock Exchange, Inc. ("Exchange" or "Phlx") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by Phlx. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Phlx proposes to amend its schedule of dues, fees, and charges to adopt the following equity option and index option fees: (1) A cap of \$50,000 per member organization on all "firm-related" equity option and index option comparison and transaction charges combined; (2) a license fee of \$0.10 per contract side for Firm/Proprietary and Firm/Proprietary Facilitation transactions in the Nasdaq-100 Index Tracking Stock ("QQQ")<sup>SM3</sup> equity

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The Nasdaq-100<sup>®</sup>, Nasdaq-100 Index<sup>®</sup>, Nasdaq<sup>®</sup>, The Nasdaq Stock Market<sup>®</sup>, Nasdaq-100 Shares<sup>SM</sup>, Nasdaq-100 Trust<sup>SM</sup>, Nasdaq-100 Index Tracking Stock<sup>SM</sup>, and QQQ<sup>SM</sup> are trademarks or service marks of The Nasdaq Stock Market, Inc. ("Nasdaq") and have been licensed for use for certain purposes by the Phlx pursuant to a License Agreement with Nasdaq. The Nasdaq-100 Index<sup>®</sup> (the "Index") is determined, composed, and calculated by Nasdaq

<sup>8</sup> 17 CFR 200.30-3(a)(12).

options to be imposed after the \$50,000 firm-related equity and index option comparison and transaction cap is reached; (3) a specialist unit fixed monthly fee ("fixed monthly fee") in lieu of paying the rate currently in effect for equity and index option transaction charges and equity option specialist deficit (shortfall) fee ("Shortfall Fee"); and (4) a charge of \$0.10 per contract side for specialist unit transactions in the QQQ equity options, if the specialist unit elects to pay a fixed monthly fee.

#### A. \$50,000 "Firm-Related" Equity Option and Index Option Cap

The Exchange is proposing to adopt a cap of \$50,000 per member organization<sup>4</sup> on all "firm-related" equity option and index option comparison and transaction charges combined. Specifically, "firm-related" charges include equity option firm/proprietary comparison charges, equity option firm/proprietary transaction charges, equity option firm/proprietary facilitation transaction charges, index option firm (proprietary and customer executions) comparison charges, and index option firm transaction charges. Therefore, under this proposal, such firm-related charges for equity option and index options, in the aggregate for one billing month, would not exceed \$50,000 per month per member organization.

#### B. QQQ Equity Option License Fee of \$0.10 Per Contract Side for Equity Option Firm/Proprietary and Firm/Proprietary Facilitation Transactions

The Exchange is proposing to adopt a license fee of \$0.10 per contract side for equity option Firm/Proprietary and Firm/Proprietary Facilitation transactions in QQQ equity options to be imposed after the \$50,000 firm-

without regard to the Licensee, the Nasdaq-100 Trust<sup>SM</sup>, or the beneficial owners of Nasdaq-100 Shares<sup>SM</sup>. According to Phlx, Nasdaq has complete control and sole discretion in determining, comprising, or calculating the Index or in modifying in any way its method for determining, comprising, or calculating the Index in the future.

<sup>4</sup> This proposal applies to member organizations for orders for the proprietary account of any member or non-member broker-dealer that derives more than 35% of its annual, gross revenues from commissions and principal transactions with customers. Member organizations will be required to verify this amount to the Exchange by certifying that they have reached this threshold by submitting a copy of their annual report, which was prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). In the event that a member organization has not been in business for one year, the most recent quarterly reports, prepared in accordance with GAAP, will be accepted. See Securities Exchange Act Release No. 43558 (November 14, 2000), 65 FR 69984 (November 21, 2000). As part of this proposal, this footnote will be included on the Phlx Summary of Equity Option and Index Option fee schedules.

related equity option and index option comparison and transaction cap, as described above, is reached. Therefore, when a member organization exceeds the \$50,000 cap (comprised of firm-related equity option and index option comparison and transaction charges combined), the firm will be charged \$50,000 plus the QQQ license fee of \$0.10 per contract side for any QQQ trades (if any) over those trades that were included in reaching the \$50,000 level. The \$0.10 license fee for firm/proprietary and firm/proprietary facilitation transactions is in addition to the proposed \$50,000 cap, if the cap is reached, on "firm-related" equity option and index option comparison and transaction charges.<sup>5</sup>

#### C. Specialist Unit Fixed Monthly Fee

Currently, Phlx equity option specialists are charged equity option transaction charges and specialist deficit fees, while index option specialists are charged index option transaction charges.<sup>6</sup> Phlx specialist units that have been active<sup>7</sup> on the Phlx for at least one year from September 1, 2002, may now elect to continue paying the above-referenced charges or, in lieu of these charges, to pay a fixed monthly fee as more fully described below. The fixed monthly fee for each specialist unit will be calculated by:

1. Computing the equity options and index options volume that each unit transacted in May 2003 and June 2003 ("Volume"), provided it has been a Phlx specialist unit for a one-year period (from September 1, 2002);
2. Multiplying the Volume by the specialist transaction charges that are currently in effect, (*i.e.*, \$0.21 per contract for equity options and \$0.24 per contract for index options). The total of the equity and index

<sup>5</sup> See Exhibit 3 to the Phlx's Form 19b-4, which provides examples of how the QQQ license fee will be calculated. Exhibit 3 to the Form 19b-4 is available for review at the Phlx and the Commission.

<sup>6</sup> This proposal does not affect or alter the charges listed on Appendix A of the Exchange's Schedule of Dues, Fees, and Charges. Specialist units will continue to be charged applicable non transactional-related fees and membership-related fees that appear on Appendix A of the Exchange's schedule of dues, fees and charges. Non transactional-related fees include floor-related fees, such as trading post/booth, controller space, floor facility, and shelf space fees, as well as communication charges such as direct wire to the floor, telephone system and execution services/communication charges. Specialist units will also continue to be charged applicable membership-related fees, such as membership dues, application fees, and initiation, transfer, examinations, and technology fees.

<sup>7</sup> In order to be eligible for the fixed monthly fee, the specialist unit must have been trading an equity or index option book on the Phlx trading floor in their capacity as a specialist unit with Phlx equity option or index option transactions in at least one equity option or index option book, for at least one year from September 1, 2002.

option transaction charges are added together to arrive at the total for the period ("Total Transaction Charges");<sup>8</sup>

3. For equity options, calculating for that month the Shortfall Fee at the current rate (currently 12%, with a monthly limit of \$10,000, if applicable) for the months of May 2003 and June 2003;<sup>9</sup> and

4. Adding the Total Transaction Charges with the Shortfall Fee calculation, if applicable, dividing the total by two, and multiplying the quotient by 1.062, which will produce the fixed monthly fee.

For a specialist unit that has selected the fixed monthly fee and acquires, after September 1, 2003, an equity or index option book already traded on the Exchange, a similar methodology described to calculate the fixed monthly fee is applied to that specialist unit's book. In this case, the same 2 months volume (May 2003 and June 2003) will be multiplied by the applicable specialist transaction fee of \$0.21 or \$0.24 applicable to the acquired options book. If applicable, any shortfall fee will be recalculated as described in step 3 above, with the totals for May 2003 and June 2003 added together. These aggregate totals will then be divided by two and the result then multiplied by 1.062 to arrive at the fixed monthly fee for that options book. That fee is then added to the acquiring specialist unit's fixed monthly fee for all other equity and index options.

For a specialist unit who has selected the fixed monthly fee and who obtains a book after September 1, 2003 as a result of a new Exchange listing, the methodology used to calculate the fixed fee for the newly listed Exchange equity or index option books will be the average of the two-previous months' national volume multiplied by 12% with that product multiplied by 21%,

<sup>8</sup> In the case of the specialist unit trading QQQ options, the calculation is slightly different. The May 2003 and June 2003 QQQ equity options volume will be subtracted from the May 2003 and June 2003 total equity and index option volumes; that figure will then be multiplied by the current equity option charge (\$0.21 per equity option contract) and then added to the product of \$0.11 multiplied by the May 2003 and June 2003 QQQ equity options volume (the \$0.10 license fee owed to Nasdaq subtracted from the \$0.21 charge). Steps 3 and 4 above are then followed. Then, all QQQ equity option transactions to which the specialist unit is a party will incur an additional \$0.10 per contract, which will be added to the specialist unit's fixed fees. See Exhibit 3 to Phlx's Form 19b-4, which is available for review at the Phlx and the Commission.

<sup>9</sup> See Securities Exchange Act Release Nos. 48207 (July 22, 2003), 68 FR 44558 (July 29, 2003) (notice of filing and immediate effectiveness of File No. SR-Phlx-2003-47) and 48206 (July 22, 2003), 68 FR 44555 (July 29, 2003) (notice of filing and immediate effectiveness of File No. SR-Phlx-2003-45).

which is then multiplied by the specialist unit's current transaction charge of \$0.21.<sup>10</sup>

In both cases, for requests after September 1, 2003, if the equity or index option book does not have a complete two months' volume, the then-current transaction charge is used until that option book trades for two full calendar months nationally, after which the above-methodology is applied.

A specialist unit may, by the 15th day of the current billing month, select the fixed monthly fee for the following month,<sup>11</sup> provided the specialist unit has been an active Phlx equity or index specialist unit for one year from September 1, 2002.<sup>12</sup> In the case where a specialist unit has operated for less than one year, that unit is eligible for the fixed monthly fee on the first business day of the next full calendar month following its one-year anniversary.<sup>13</sup>

The fixed monthly fee will be in effect through February 29, 2004. If a specialist unit elects the fixed monthly fee, it must remain in the fixed monthly fee program through February 29, 2004.<sup>14</sup>

#### *D. QQQ Equity Option License Fee of \$0.10 Per Contract Side for Equity Option When the Specialist Unit Elects a Fixed Monthly Rate*

A charge of \$0.10 per contract side for all specialist unit transactions in the QQQ equity options is proposed if the

<sup>10</sup> The 12% represents the Exchange's shortfall target, the 21% represents the average contract sides to which specialists are a party, and the \$0.21 represents the current specialist equity option transaction charge.

<sup>11</sup> For example, if a specialist unit wishes to select the fixed monthly fee beginning on October 1, 2003, it must notify the Exchange by September 15, 2003. The fixed monthly fee will not be implemented retroactively. If the 15th of a month is not a business day, then the specialist unit may select the fixed monthly fee method by the next business day. The Exchange intends to distribute to the specialist units administrative procedures to follow in connection with choosing the fixed monthly fee methodology. The requirement that a specialist unit elect the fixed rate by the 15th of the month will be waived for the first month. Therefore, due to the fact that this proposal is scheduled to become effective for transactions settling on or after September 1, 2003, specialists will have the opportunity to select the fixed monthly fee until 9:00 a.m. on September 2, 2003.

<sup>12</sup> Specialist units must elect to participate in the monthly fixed fee program. Therefore, if no election is made, the specialist unit would continue to pay the rate currently in effect for equity and index option transaction charges and equity option specialist deficit (shortfall) fee.

<sup>13</sup> For example, if the one-year anniversary is on October 4, the specialist unit is eligible to select the fixed monthly fee by October 15 and the fixed monthly fee will then be in effect beginning November 1.

<sup>14</sup> See Exhibit 3 to Phlx's Form 19b-4, which is available for review at the Phlx and the Commission.

specialist unit elects to pay a fixed monthly fee.<sup>15</sup> This fee is in addition to the fixed monthly fee.

The above-referenced proposals are scheduled to become effective for transactions settling on or after September 1, 2003. In connection with the specialist fixed monthly fee proposal and the related QQQ license fee proposal, the proposals will be in effect through February 29, 2004.<sup>16</sup>

The text of the proposed rule change is available at the Phlx and the Commission.

## **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, Phlx included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Phlx has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

### *A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

#### 1. Purpose

In general, the purpose of the proposed rule change is to promote equity option and index option business on the Phlx. Specifically, in connection with the \$50,000 "firm-related" cap, the Exchange believes this proposal offers an incentive for firms to transact more volume on the Phlx floor. An increase in firm orders should provide more trading opportunities for floor members, thereby increasing revenue potential to the membership, in addition to

<sup>15</sup> As previously discussed, under this proposal, specialist units may elect to pay a fixed monthly fee in lieu of specialist equity and index option transaction charges and equity option shortfall fees. Therefore, this \$0.10 fee would be in addition to the fixed monthly fee, but does not apply if specialist units elect to pay the current equity option and index option transaction charges, and equity option specialist deficit (shortfall) fees.

<sup>16</sup> Therefore, for transactions settling on or after March 1, 2004, the fixed monthly fee and the charge of \$0.10 per contract side to specialists for transactions in the QQQ equity options when the specialist unit elects to pay the fixed monthly fee will no longer be available and will be removed from the Phlx fee schedule unless a separate proposed rule change is filed to the contrary. The \$50,000 "firm-related" equity option and index option cap and the related QQQ license fee charge of \$0.10 per contract side for equity option firm/proprietary and firm/proprietary facilitation transactions that is imposed after the \$50,000 firm equity and index option comparison and transaction cap is reached, will remain in effect.

increasing revenue to the Exchange. In connection with the firm-related equity option and index option cap, the purpose of including the footnote related to equity option and index option "firm" transactions is to clarify to whom the firm-related charges apply.<sup>17</sup>

The purpose of the QQQ license fee is to adopt a fee for trading in the QQQ options to defray licensing costs associated with the trading of this product. Also, in connection with the specialist fixed fee, this proposal offers the opportunity for a specialist unit to choose a fixed monthly fee in lieu of paying the rate currently in effect for equity and index option transaction charges and the equity option Shortfall Fee. The Exchange staff has noted that some specialist units prefer knowing the exact cost of their equity and index option transactions; thus, allowing them to budget accordingly, and adjust their business models and strategies to meet these fixed costs. In addition, the fixed fee should create an incentive to bring in more business, above the fixed amount, which would be free of additional transaction charges assessed on specialist units. Additional order flow may generate transaction fees on the contra side that, in turn, may generate additional revenue for the Exchange.

#### 2. Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act,<sup>18</sup> in general, and with Section 6(b)(4) of the Act,<sup>19</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members.

### *B. Self-Regulatory Organization's Statement on Burden on Competition*

Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

## **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing proposed rule change has become effective pursuant to

<sup>17</sup> See note 4 *infra*.

<sup>18</sup> 15 U.S.C. 78f(b).

<sup>19</sup> 15 U.S.C. 78f(b)(4).

Section 19(b)(3)(A)(ii) of the Act<sup>20</sup> and subparagraph (f)(2) of Rule 19b-4<sup>21</sup> thereunder, because it establishes or changes a due, fee, or other charge.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.<sup>22</sup>

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of Phlx. All submissions should refer to File No. SR-Phlx-2003-61 and should be submitted by October 6, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>23</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-23416 Filed 9-12-03; 8:45 am]

BILLING CODE 8010-01-P

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## SOCIAL SECURITY ADMINISTRATION

### Privacy Act of 1974, as Amended; New System of Records and New Routine Use Disclosures

**AGENCY:** Social Security Administration.

**ACTION:** Proposed new system of records and proposed routine uses.

**SUMMARY:** In accordance with the Privacy Act (5 U.S.C. 552a(e)(4) and (e)(11)), we are issuing public notice of our intent to establish a new system of records entitled *eWork System, 60-0330*, and routine uses applicable to the system of records. We also are issuing notice that we may disclose personally identifiable information from the *eWork System* to consumer reporting agencies in accordance with 5 U.S.C. 552a(b)(12) and 31 U.S.C. 3711(e). We invite public comment on this proposal.

**DATES:** We filed a report of the proposed *eWork System* and the applicable routine uses with the Chairwoman of the Senate Committee on Governmental Affairs, the Chairman of the House Committee on Government Reform, and the Director, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB) on September 9, 2003. The proposed *eWork System* and the proposed routine uses will become effective on October 18, 2003, unless we receive comments warranting them not to be effective.

**ADDRESSES:** Interested individuals may comment on this publication by writing to the Executive Director, Office of Public Disclosure, Office of the General Counsel, Social Security Administration, Room 3-A-6 Operations Building, 6401 Security Boulevard, Baltimore, Maryland 21235-6401. All comments received will be available for public inspection at the above address.

**FOR FURTHER INFORMATION CONTACT:** Ms. Pamela J. McLaughlin, Strategic Issues Team, Office of Public Disclosure, Office of the General Counsel, Social Security Administration, Room 3-C-1 Operations Building, 6401 Security Boulevard, Baltimore, Maryland 21235-6401, e-mail address at [pam.mclaughlin@ssa.gov](mailto:pam.mclaughlin@ssa.gov), or by telephone at (410) 965-3677.

#### SUPPLEMENTARY INFORMATION:

#### I. Background and Purpose of the Proposed New eWork System of Records

##### A. General Background

Social Security Title II disability beneficiaries are allowed to work in a "trial work period." Under certain other circumstances permitted by the Social Security Act, SSA can also make determinations concerning their ability to successfully return to the workforce. These individuals must undergo continuing disability reviews (CDRs) based on work activity. SSA is developing the *eWork System* as a means of controlling and processing "work" CDRs. This system will replace

a manual, labor-intensive paper process. The *eWork System* will allow SSA personnel to process "work" CDRs more efficiently, timely, and accurately. In addition, the *eWork System* will collect information from Title XVI recipients making any report of earnings. Because SSA will maintain and retrieve information from the proposed *eWork System* using individuals' Social Security numbers (SSNs) and/or names, the proposed system will constitute a "system of records" under the Privacy Act.

The *eWork System* will allow SSA to automate programmatic and administrative tasks such as:

- Generating requests to employers and Title II disability applicants or beneficiaries to verify the applicants/beneficiaries' earnings and work activity;
- Recording and storing monthly earnings and other work activity information for employed and/or self-employed Title II disability applicants or beneficiaries, and for Title XVI recipients making any report of earnings;
- Producing feedback reports of an individual beneficiary's current entitlement/eligibility and work status based on information in other SSA databases, and producing receipts for all reports of earnings;
- Identifying complex and sensitive cases for handling by appropriate direct service personnel, such as technical experts;
- Automating requests for disability folders that may be located at different locations within SSA;
- Recording the completion of a work CDR decision for management information and workload reporting purposes;
- Obtaining relevant information from other SSA databases for use in work CDR's;
- Providing management information reports concerning "work" CDR's and earnings reports; and
- Providing information for statistical and evaluation purposes.

##### B. Collection and Maintenance of Data in the eWork System

The *eWork System* will include identifying information about Title II disability beneficiaries; information about their disability claims, work activity, and participation in the "Ticket-to-Work" Program (if applicable), Title XVI recipients and their reports of earnings; and administrative data. See the "Categories of records" section of the notice below for a full description of the data that will be maintained in the system.

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>21</sup> 17 CFR 240.19b-4(f)(2).

<sup>22</sup> See 15 U.S.C. 78s(b)(3)(C).

<sup>23</sup> 17 CFR 200.30-3(a)(12).