

# Accuracy of Claimant Representative Fees Paid on Title XVI Claims

## A-04-13-13030



June 2015

Office of Audit Report Summary

### Objectives

To determine whether the Social Security Administration (SSA) (1) withheld the claimant representative fee from claimants' past-due benefits and (2) paid the correct claimant representative fee when Title XVI claimants elected third-party representation.

### Background

The Supplemental Security Income program is administered under Title XVI of the *Social Security Act*. The basic purpose of Title XVI is to provide a minimum level of support to qualified individuals who are blind, disabled, or aged and who have limited income and resources. To assist with obtaining Title XVI payments, claimants may appoint a qualified representative (attorney or non-attorney) to act on their behalf in matters before SSA. Claimants may agree to compensate their appointed representative for services provided to resolve their claim.

Generally, SSA calculates claimant representative fees based on claimants' past-due benefits. Past-due benefits typically accrue from the claimant's benefit entitlement date through the month in which SSA approves the claim.

### Findings

For the 250 randomly sampled Title XVI claims involving claimant representative fees, SSA withheld fees from claimants' past-due benefits and paid the fees directly to the claimant representative. However, our review found that SSA did not always pay the appropriate amount when it paid the claimant representative fee on concurrent Title II and XVI claims. As a result, when SSA overpaid the claimant representative, it generally underpaid the claimant. Similarly, when SSA underpaid the claimant representative, it generally overpaid the claimant.

Of the 250 sample claimant representative fees, 10 (4 percent) had claimant fee payment errors totaling \$13,020: \$12,479 in overpayments and \$541 in underpayments. The payments ranged from a \$3,062 overpayment to a \$484 underpayment. Based on our results, we estimate that 15,200 claimant representative fee payments had about \$19.8 million in payment errors for Calendar Years 2011 and 2012.

We acknowledge that computing past-due benefits and the related claimant representative fees may be complex, as staff is required to analyze a multitude of factors and make various decisions to pay the past-due benefits and fee. However, the payment accuracy of past-due benefits and claimant representative fees depends on decisions and actions staff take to process these types of claims.

### Recommendations

1. Provide additional training to ensure employees correctly process the claimant representative fee.
2. Work the 10 error cases we identified and make claimants and representatives whole, and once completed, determine whether it is cost-effective to review and work the remaining cases in our audit population.

SSA agreed with our recommendations.