

Benefits Payable to Widow(er)s Subject to Government Pension Offset Had They Delayed Their Application

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequately informed widow(er)s who were subject to government pension offset (GPO) of their option to delay their application for widow(er)s benefits.

Background

Generally, Social Security benefits are reduced for widow(er)s who receive a pension based on their own work for a Federal, State, or local government that was not covered by Social Security. The reduction, known as GPO, is equal to two-thirds of the government pension.

When individuals apply for widow(er)'s benefits, SSA must determine whether they are receiving, or expect to receive, a pension based on earnings not covered by Social Security. In addition, SSA employees must explain the advantages and disadvantages of filing an application so claimants can make an informed filing decision. Widow(er)s have the option to delay their application up to their full retirement age (FRA) to increase their monthly benefit amount.

We identified 21,532 widow(er)s whose benefits SSA had not paid because two-thirds of their government pension exceeded their widow(er)'s monthly benefit amount.

Findings

SSA did not always inform widow(er)s who were subject to GPO of their option to delay, or withdraw and resubmit, their application for widow(er)'s benefits. Based on our random sample, we estimate 1,938 widow(er)s would have been eligible for approximately \$12.8 million had they delayed their widow(er)'s application up to FRA. We also estimate 1,615 widow(er)s could receive approximately \$42.6 million in additional benefits over their remaining life expectancies.

We found insufficient evidence that SSA had properly informed the claimants of their option to delay, or withdraw and resubmit, their application for widow(er)'s benefits, as required. In addition, SSA did not have systems controls in place to alert its employees when they should inform widow(er)s of the option to delay their application for widow(er)'s benefits.

Recommendations

We recommend that SSA:

1. Notify the 18 beneficiaries identified in our audit of their option to withdraw their application, if eligible, and reapply for widow(er)'s benefits.
2. Evaluate the results for the 18 beneficiaries in our sample and take appropriate action to notify the remaining population of beneficiaries of their option to withdraw their application and reapply for widow(er)'s benefits.
3. Remind employees to discuss the advantages of delaying an application when widow(er) claimants are subject to GPO and document the facts and decisions in accordance with SSA policy.
4. Ensure it informs widow(er) beneficiaries of their option to delay, or withdraw and resubmit, their application for widow(er)'s benefits.

SSA agreed with our recommendations.