

Pending Supplemental Security Income Alerts Related to Over-reported Earnings

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Office of Audit Report Summary

Objective

To identify Supplemental Security Income (SSI) recipients who had alerts related to over-reported earnings pending longer than 6 months and the resulting improper payments.

Background

SSI recipients must meet certain income and resource limits for eligibility. A recipient who has too much income in a particular month is not eligible for SSI in that month. SSI recipients or their representative payees are responsible for timely reporting changes that may affect their eligibility or payment amount. However, they do not always report necessary information timely.

Thus, the Social Security Administration (SSA) established systems interfaces that generate alerts when recipients' earnings information does not match information from other agencies. For example, SSA systems generate alerts when reported wage information is more than the earnings on the Master Earnings File or Office of Child Support Enforcement database.

SSA policy states staff should address over-reported earnings alerts when they process redeterminations, limited issues, or certain post-eligibility activities. However, if SSA does not process earnings alerts timely, its policies may preclude it from addressing some improper payments.

Findings

We identified 72,434 SSI recipients with over-reported earnings alerts pending longer than 6 months as of November 2016. From this population, we reviewed a random sample of 200 recipients. Of these, we determined that SSA made improper payments, totaling approximately \$139,000, to 104 recipients (52 percent).

- SSA underpaid 57 recipients (29 percent) about \$78,000. We estimate about 21,000 recipients received approximately \$28 million less than their eligible monthly payments.
- SSA overpaid 47 recipients (24 percent) about \$61,000. We estimate over 17,000 recipients received approximately \$22 million more than their eligible monthly payments.

SSA did not always process pending earnings alerts when it completed redeterminations, limited issues, or certain post-eligibility activities. Further, since SSA did not begin development within 6 months of the alerts, it may no longer be able to address all the improper payments identified.

Recommendations

We recommend that SSA:

1. Take appropriate action to address the 57 underpaid and 47 overpaid recipients we identified.
2. Based on the results of the review of the error cases, determine the feasibility of reviewing the remaining 72,234 recipients in our population.
3. Consider improving controls to ensure employees process over-reported earnings alerts more timely, or document why this is not cost-effective.

SSA agreed with our recommendations.