

# Higher Retirement Benefits Payable to Families of Disabled Beneficiaries

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Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) had adequate controls to inform disabled beneficiaries when total family benefits would be higher if a disabled wage earner elected reduced retirement benefits. This occurred because, under the family maximum provisions, the retirement family maximum benefit is usually higher than the disability family maximum benefit.

### Background

The *Social Security Act* provides monthly benefits to retired and/or disabled workers and their families. Disabled beneficiaries may be simultaneously entitled to disability and retirement benefits when they attain age 62. Generally, the higher benefits are payable; however, disabled beneficiaries may elect retirement benefits even when the disability benefits are higher. This may occur when there are entitled spouse and child beneficiaries and the total family benefits are higher under the retirement maximum provisions. SSA employees must determine whether total family benefits would be higher if a disabled beneficiary elected reduced retirement benefits.

For our review we identified approximately 21,000 disabled beneficiaries over age 62 with at least 1 entitled spouse or child beneficiary on the same record.

### Findings

SSA needs to improve its controls to ensure it notifies disabled beneficiaries when total family benefits are higher if a disabled wage earner elected reduced retirement benefits. Based on our random sample, we estimate that 8,265 families of disabled beneficiaries were eligible for higher total family benefits of approximately \$27.9 million.

When these beneficiaries attained age 62, SSA should have informed them they were eligible for higher family benefits. However, we found no evidence in SSA's electronic files that SSA informed them they were eligible for a higher family benefit or that the beneficiaries had elected to continue to receive the lower family benefit.

### Recommendations

1. Take appropriate action for the 159 beneficiaries and their families identified by our audit.
2. Evaluate the results of its actions for the 159 beneficiaries and their families and take appropriate action to notify the remaining population of disabled beneficiaries who may be eligible for higher family benefits.
3. Improve controls to ensure it informs disabled beneficiaries when they are eligible for higher family benefits if they elect retirement benefits.

SSA agreed with our recommendations.