



# *Payment Accuracy Task Force Report: SSI Unearned Income*

## *Executive Summary*

The Social Security Administration (SSA) has issued a self-challenge to increase the Supplemental Security Income (SSI) payment accuracy rate to 96 percent by Fiscal Year (FY) 2002. This action was prompted, in part, by the General Accounting Office's (GAO) 1997 designation of SSI as a high-risk program.<sup>1</sup>

The Payment Accuracy Task Force Initiative, created in 1996 through a cooperative effort between SSA and the Office of the Inspector General (OIG), assists the Agency with meeting its goal to improve payment accuracy. The Initiative is guided by an Associate Commissioner-level Steering Committee. It selects payment issues and charters intercomponent issue teams to develop agency-wide recommendations for policy, programmatic and operational improvements.

The Task Force has selected SSI unearned income for this, its third review. To analyze sources and causes of SSI unearned income payment errors, we gathered information from as many sources as possible during our 120-day charter, from March 1 through June 28, 1999. We assessed viability of prior SSA, GAO and OIG recommendations; analyzed 216 FY 1997 Index of Dollar Accuracy SSI unearned income deficiency case folders and the related data base; and made 10 site visits to field offices in California, Texas, and Maryland. During the site visits, we met with 20 field office managers and 57 field office employees; and, in the California field offices, we interviewed 16 SSI recipients. We sought additional input from over 30 key contacts in various SSA components, members of our Task Force Steering Committee, and our issue team's SSI experts.

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<sup>1</sup> *High Risk Series: An Overview*, GAO/HR-97-1, February 1997; *Supplemental Security Income: Action Needed on Long-Standing Problems Affecting Program Integrity*, GAO/HEHS-98-158, September 1998.

## ***Findings, Concerns, and Recommendations***

### □ **Section I: The Payment Accuracy Issue Team Recommends Changes to Improve SSI Unearned Income Payment Accuracy**

- *Reinforce Reporting Responsibilities*

**Recommendation 1** -- *Specific to SSI unearned income, include a handout listing the types of unearned income in the recordkeeper or print the list on the recordkeeper folder itself.*

*In general, remind field offices of the Program Operations Manual System (POMS) guidance for using and distributing the recordkeeper folders and of the reordering process.*

- *Provide Additional POMS Guidance About Gambling and Lottery Winnings and Losses*

**Recommendation 2** -- *Retitle the POMS section, Prizes, as Gambling and Lottery Winnings and Other Prizes so claims representatives (CR) can more easily locate instructions about properly counting gambling/lottery winnings.*

**Recommendation 3** -- *Modify the Modernized Supplemental Security Income Claims System (MSSIC) Income Menu (IMEN) screen by adding parenthetical information, which includes a reference to gambling and lottery winnings, under "OTHER INCOME OR SUPPORT NOT PREVIOUSLY MENTIONED."*

**Recommendation 4** -- *Modify the MSSIC Income Other (IOTH) screen so that gambling and lottery winnings can be listed under "TYPE RECEIVED."*

- *Include the SSI Unearned Income Report and Prior Payment Accuracy Task Force Reports in the Agency's SSI High-Risk Tracking Documents and Related Reports*

**Recommendation 5** -- *Ensure that recommendations from the SSI Unearned Income Report and prior Payment Accuracy Task Force reports are included in the Agency's monthly SSI Initiatives Tracking Report,*

subsequent SSI management reports, and other information systems related to SSI high-risk efforts.

□ **Section II: The Payment Accuracy Issue Team Recommends Modifications for Two Recently Initiated SSI High-Risk Activities That Address Unearned Income Payment Errors**

- *Adapting the Unearned Income Portion of the April 1999 Interactive Video Training for Virtual On-Line Training*

**Recommendation 6** -- As a form of follow-up training, adapt the SSI unearned income portion of the April 1999 IVT for on-line training via SSA's Virtual Campus, <http://training.ba.ssa.gov/ot/pages/training/>.

- *Pursuing Direct On-Line Access to State Child Support Enforcement Agency Records Rather Than Through the Federal Case Registry*

**Recommendation 7** -- Seek direct on-line access to State child support enforcement (CSE) agency records on child support payments. The Office of Disability and Income Security Programs (ODISP), as the SSA lead component for SSI High-Risk and Information Exchange activities, should discuss with the Department of Health and Human Service's (HHS) Office of Child Support Enforcement (OCSE) the sufficiency of existing laws to permit this type of direct electronic data exchange. If sufficient, then ODISP should request that HHS OCSE issue a guidance letter to the State CSE agencies to provide SSA title XVI CRs with on-line single query access to such records. ODISP should then request Operations to make access to CSE as one of the target agencies in its SASRO project.

However, if existing laws are not sufficient, ODISP should request the Office of Legislative and Congressional Affairs (OLCA) to propose a legislative initiative to address any SSA or OCSE concerns.

**Recommendation 8** -- *At a minimum*, if SSA continues to pursue its current legislative proposal for access to the Federal Case Registry of Child Support Orders, the following addendum should be included: States should

be required to provide data on child support collections, receipt, and distribution to the Federal Case Registry.

- **Section III: Highlight of Field Offices' Best Practices That May Be Adapted by Other Field Offices' to Reduce SSI Unearned Income Errors**

### ***Other Payment Accuracy Issues***

Several, much broader, payment accuracy issues emerged during our review that went beyond our issue team's mission. These pertain to payment accuracy in general, and not SSI unearned income specifically, e.g., establishing a formal agency-wide SSI policy, addressing quality assurance, revisiting the impact of title II and title XVI concurrent entitlement on payment accuracy, and developing a field office information channel similar to Information Channel 55 at Headquarters.

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### **Acronyms**

CR	Claims Representative
CSE	Child Support Enforcement
FAV	Field Assistance Visit
FBR	Federal Benefit Rate
FO	Field Office
GAO	General Accounting Office
HHS	Health and Human Services
IDA	Index of Dollar Accuracy
IVT	Interactive Video Training
MSSICS	Modernized Supplemental Security Income Claims System
OASI	Old-Age and Survivors Insurance
OASDI	Old-Age, Survivors and Disability Insurance
OLCA	Office of Legislative and Congressional Affairs
OCSE	Office of Child Support Enforcement
ODIAP	Office of Disability and Income Assistance Policy
ODISP	Office of Disability and Income Security Programs
OP	Office of Policy
OPB	Office of Program Benefits
OQA	Office of Quality Assurance and Performance Assessment
OIG	Office of the Inspector General
OT	Office of Training
SSA	Social Security Administration
SASRO	SSA Access to State Records Online
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families



# ***Payment Accuracy Task Force Report SSI Unearned Income***

## ***Introduction***

The Social Security Administration (SSA) has issued a self-challenge to increase the Supplemental Security Income (SSI) payment accuracy rate to 96 percent by Fiscal Year (FY) 2002.<sup>2,3</sup> This action was prompted, in part, by the General Accounting Office's (GAO) 1997 designation of SSI as a high-risk program. Achieving its goal to improve payment accuracy calls for an Agency commitment to identify and implement policy, programmatic, and operational changes that will balance SSA's social responsibility for the Nation's most vulnerable citizens and its fiscal responsibility for safeguarding the two funds administered by SSA.<sup>4</sup>

### ***Payment Accuracy Task Force Initiative***

In 1996, the Payment Accuracy Task Force Initiative was created through a cooperative effort between SSA and the Office of the Inspector General (OIG). Guided by an Associate Commissioner-level Steering Committee, an intercomponent

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<sup>2</sup> *Social Security: Performance Plan for Fiscal Year 2000* (SSA Publication No. 22-001, February 1999); *Social Security Management of the Supplemental Security Income Program: Today and in the Future* (SSA Publication No. 05-10103, October 1998); *Fiscal Year 1997 Index of Dollar Accuracy Report* (Memorandum S1KG3 from the Deputy Commissioner for Finance, Assessment and Management, October 16, 1998).

<sup>3</sup> The overall FY 1997 Index of Dollar Accuracy (IDA) SSI accuracy rate was 93 percent, a slight decline from the FY 1996 IDA SSI accuracy rate of 93.4 percent. Although the year-to-year downward trend since the early 1990s is reported by the Office of Quality Assurance and Performance Assessment (OQA) as not statistically significant, the overall decline is. OQA has indicated that this trend is cause for concern.

<sup>4</sup> Title II is funded by the Social Security Trust Fund; title XVI by the General Revenue Fund. In December 1997, there were 2.4 million recipients who were concurrently enrolled in both programs. Title II benefits are counted as unearned income, therefore, miscalculation of title II benefits can result in an SSI payment error.

issue team of SSA experts helps develop agency-wide recommendations to reduce either Old-Age and Survivors Insurance (OASI)<sup>5</sup> or SSI payment errors.<sup>6</sup>

### ***The Issue -- SSI Unearned Income Payment Errors***

Drawing from OQA's FY 1997 IDA report, the Steering Committee chartered this issue team, its third, to specifically address SSI unearned income payment errors (see Appendices A and B).<sup>7</sup> Unearned income deficiencies accounted for the largest portion of 1997 IDA SSI deficiency dollars: \$271 million (28 percent) of \$961.2 million. This is a slight increase over the \$266.2 million in unearned income deficiency dollars reported for FY 1996.<sup>8</sup>

### ***Complexities of Identifying Unearned Income***

SSI is a means-tested program providing cash assistance to aged, blind, and disabled individuals with little income or resources. SSI relies heavily on recipient self-disclosure of all income sources, earned and unearned. This information is

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<sup>5</sup> At the time the Payment Accuracy Task Force Initiative was created, the Steering Committee decided not to address the disability portion of the title II program because of the comprehensive disability program redesign efforts already underway.

<sup>6</sup> The two prior Payment Accuracy Task Force reports were *Payment Accuracy Task Force: Earnings Record Issue Team* (SSA/OIG, September 1997) and *Payment Accuracy Task Force: SSI Earned Income Issue Team* (SSA/OIG, September 1998).

<sup>7</sup> The third intercomponent Payment Accuracy Task Force's unearned income issue team was comprised of six members, and met from March 1 to June 28, 1999.

<sup>8</sup> Deficiencies are described by OQA as an action or inaction on the part of SSA or the recipient that results in an incorrect eligibility determination, an incorrect payment amount or a material change. An error is the difference between what the individual should have been paid in the sample period and the amount of the payment(s) made by the Agency. However, OQA sometimes uses the terms "deficiency" and "error" interchangeably.

used to determine initial eligibility and benefit amounts.<sup>9</sup> Since a person's financial situation often varies, and benefits are dependent on self-reported income changes, payments are highly prone to error.<sup>10</sup>

As compared to earned income, unearned income information is much more difficult to capture. Earned income is fairly straightforward, more easily understood, and more easily verified. It is comprised of wages, self-employment or remuneration from a sheltered workshop.

On the other hand, unearned income covers a broad range of sources. As defined in SSA's guidelines,<sup>11</sup> it includes annuities, pensions, and other periodic payments; alimony and support payments; dividends, interests and royalties; rents; prizes and awards (see Appendix C for a more detailed listing). Unearned income is generally counted as income in the month it is either received by the recipient, credited to his/her account or set aside for the individual's use.

To supplement self-reported unearned income, SSA has data matching agreements with several Federal agencies to help identify and verify unearned income, e.g., the Department of Veterans Affairs (VA), the Office of Personnel Management (OPM), the Internal Revenue Service and the Railroad Retirement Board (RRB). SSA also conducts a match using the Office of Child Support Enforcement (OCSE) National Directory of New Hires, which contains quarterly wage and unemployment compensation data. However, the data from these matches are still time-delayed, affecting the accuracy of initial SSI eligibility determinations and some benefit amounts. For example, the VA, RRB, and OPM matches are conducted on a monthly basis

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<sup>9</sup> Initial applicants must meet SSA's financial eligibility criteria. To qualify, an individual's countable monthly income, after exclusions, cannot exceed the total current Federal Benefit Rate (FBR), which is \$500 for Calendar Year 1999.

<sup>10</sup> In addition to self-reported income changes, SSA conducts periodic reviews or redeterminations for eligibility continuation and/or benefit adjustments. For this process, a profiling system is used to identify payment records likely to change. Records can be selected every year or not be selected for as long as six years.

<sup>11</sup> *Program Operations Manual System (POMS) SI 00810.015 General Income Rules for the SSI Program.*

and the OCSE Unemployment match is done quarterly (see Appendix D).

## ***SSA Unearned Income Initiatives***

SSA is making a concerted effort to address its SSI high-risk designation. Coinciding with the Payment Accuracy Steering Committee's selection of unearned income for issue team review, SSA had started a number of activities that should either directly or indirectly reduce unearned income payment errors.

The Deputy Commissioner for Disability and Income Security Programs' (ODISP) Office of Program Benefits (OPB), as the Agency lead for SSA's title XVI debit initiative, is overseeing many of the SSI unearned income-related efforts listed below. (See Appendix D for more detailed descriptions.)

- ***Increasing understanding of what constitutes unearned income*** -- Since January 1999, SSA has issued an unearned income program circular, revised POMS unearned income sections, conducted an interactive video training (IVT) on unearned income, and started a review of program compatibility between States' Temporary Assistance for Needy Families (TANF) and SSI.
- ***Assisting field office detection and verification of SSI unearned income*** -- Three efforts relate to improved Federal and State data matching activities. Another effort is a workgroup convened to address child support payment issues.
- ***Proposing a legislative change to exclude all financial interest and dividend income*** – The proposed change would disregard any amounts of interest or dividends earned on countable liquid resources when determining an individual's eligibility or benefit amount.<sup>12</sup>

## ***Scope and Methodology***

We gathered information from multiple sources to help us analyze causes of SSI unearned income errors and develop

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<sup>12</sup> The Office of Legislative and Congressional Affairs (OLCA) is handling this proposal.

agency-wide recommendations to improve payment accuracy. Our goal was to better understand SSI unearned income reporting responsibilities; field office procedures used to gather and process this information; related policy that directs field office procedures; and SSA initiatives that are underway to help reduce SSI unearned income errors.

To augment the issue team's collective SSI policy, programmatic, and operational expertise, we reviewed prior OIG, SSA, and GAO reports and recommendations. We also reviewed 216 FY 1997 IDA SSI unearned income deficiency cases, and analyzed the FY 1997 OQA data base related to the case folders.<sup>13</sup> Additionally, we made 10 site visits to field offices in California, Texas, and Maryland to better understand the point-of-service process and identify any service barriers or best practices related to reporting/processing of unearned income information.<sup>14</sup> During April and May 1999, we conducted a mixture of group discussions and one-on-one interviews with 20 field office managers and 57 employees.

Group discussions were also held with 16 SSI recipients during our California field office visits. The contacts provided insight into how recipients are informed about initial and subsequent unearned income reporting responsibilities.<sup>15</sup> Further, two team members accompanied OQA field staff on several visits to recipients' homes in the Washington, D.C. and Baltimore, Maryland areas. Also, to better understand SSI-related policy, operations, and program administration, we spoke with over

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<sup>13</sup> The 216 of 262 OQA case folders reflected unearned income deficiencies that were greater than or equal to \$5.00. We did not receive 46 cases from the FY 1997 IDA SSI sample in time for our review.

<sup>14</sup> Nine field offices were selected based on a cross-tabulation of two criteria: 1) the field offices had to be within the first 125 offices having the highest FY 1998 initial SSI claims clearances and 2) the field offices had to be from one of the regions having the highest number of FY 1997 IDA SSI unearned income payment deficiencies. The remaining field office was selected for proximity to SSA headquarters and served as our pretest site.

<sup>15</sup> This was the first Payment Accuracy Issue Team to include recipient input. We decided to add this dimension while setting up our California site visits. Even though we were able to get an expedited OPM clearance, we were still time-constrained in selecting a random sample of recipients. Consequently, we relied on a convenience sample of volunteer recipients who were either: 1) already at the field office while we were on-site, 2) contacted by the field office prior to our visit and asked if they were willing to come into the office while we were there, or 3) contacted by us prior to our visit and asked to meet with us at the field office. We plan to expand our recipient contact/discussions for subsequent issue teams.

30 key contacts from various SSA components, many of whom gave presentations for our issue team (see Appendix E). The Payment Accuracy Steering Committee representatives also provided input about SSI unearned income payment errors and any related activities that were currently underway.

# ***Findings, Concerns, and Recommendations***

Our findings are discussed in three sections -- those related to recommended activities we believe will improve SSI unearned income payment accuracy; those related to concerns we have regarding two of the recently initiated SSI high-risk efforts; and those related to field offices' best practices that we observed during our site visits. Pages 18-19 contain a recap of our recommendations.

## ***Section I: The Payment Accuracy Issue Team Recommends Changes to Improve SSI Unearned Income Payment Accuracy***

To complement SSA's recently initiated SSI high-risk efforts to reduce unearned income payment errors, we have identified additional changes that can be made. These involve developing better mechanisms to: 1) communicate unearned income reporting responsibilities; 2) process unearned income information; and 3) increase awareness/usefulness of our SSI unearned income report, as well as prior Payment Accuracy Task Force reports.

### **REINFORCE REPORTING RESPONSIBILITIES**

During our site visits, CRs generally thought most recipients were fully aware of their reporting responsibilities, but that recipients frequently used the excuse of not knowing the requirements after a payment error had been made. We found that the recipients we interviewed demonstrated knowledge and understanding of their unearned income reporting responsibilities. However, due to our limited recipient sample size and selection, we were unable to conclude that communications about reporting responsibilities do not need strengthening. Since, for the foreseeable future, self-reported

information  
underpins the  
SSI eligibility  
and benefit  
determination  
process, we still  
believe there are  
additional steps

***Recommendation  
1***



that can be taken to reinforce unearned income reporting responsibilities.

### ***Reminding Field Offices to Use the SSA Recordkeeper***

SSA's tri-fold recordkeeper, *Your Supplemental Security Income Folder*, is a tangible product that not only reminds recipients of their reporting responsibilities, but also provides pockets to keep necessary records, e.g., pay stubs, receipts, utility bills, reporting instructions, and phone numbers. Following POMS guidance, recordkeepers are to be given to initial applicants who are likely to be determined eligible or to recipients who request a

replacement folder.<sup>16</sup> Both English and Spanish versions of the folder are available.<sup>17</sup>

We found that not all field offices we visited used the recordkeepers; but, for those that did, it was highly endorsed. We also found that nearly all of them had depleted their initial shipments and did not know either how or where to order more. Some thought the folders would be automatically shipped to them.

***Specific to unearned income, we recommend that a handout listing the types of unearned income be included in the recordkeeper or that the list be printed on the recordkeeper folder itself. (See Appendix C.)***

***In general, because we believe that the recordkeeper is a useful aid to reinforce all reporting responsibilities, we recommend field offices be reminded of the POMS guidance for using and distributing the folders and of the reordering process.***

### **PROVIDE ADDITIONAL POMS GUIDANCE ABOUT GAMBLING/LOTTERY WINNINGS AND LOSSES**

During our site visits, we heard that gambling and lottery winnings are emerging as a frequently reported source of

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<sup>16</sup> POMS SI 00604.110, *Your Supplemental Security Income (SSI) Folder*, provides guidance on policy, procedures, and use of the folder.

<sup>17</sup> The English version, SSA-4122-FO, is a yellow tri-fold; the Spanish version, SSA-4122-FO-SP, is blue.

unearned income. This occurrence is not surprising since gambling is becoming so pervasive across the United States. A person can make some form of legal wager in every State, except Hawaii, Utah, and Tennessee. There are now casino gambling establishments in 21 States and lotteries in 37 States.<sup>18</sup>

It was not unusual to find CRs who were not aware of the POMS reference about gambling and lottery winnings. This is not unexpected since it is not an obvious, separate reference, but rather subsumed under the POMS section on prizes.<sup>19</sup> Even though this section defines prizes as something won in a lottery or game of chance, and further states that such prizes are unearned income, it is of little value if CRs cannot easily locate the information.

**Recommendation  
2**

→ **We recommend the POMS section, *Prizes*, be retitled as *Gambling and Lottery Winnings and Other Prizes* so CRs can more easily locate instructions about properly counting gambling/lottery winnings.**

***Revising the Modernized Supplemental Security Income Claims System (MSSICS) Unearned Income Screens***

MSSICS can be used both as an interview guide and input screen during initial claims taking and determinations. It includes an Income Menu (IMEN) screen that has a limited list of income sources -- child support, other Bureau of Indian Affairs income, sick pay (earned), sick pay (unearned), wages, self-employment income, and other income or support not previously mentioned (see Appendix F). Each source is to be answered either "Y" or "N." To capture specific unearned income information, e.g., gambling/lottery winnings, the Income Other (IOTH) screen must be accessed. This is done when a CR inputs a "Y" in the "OTHER INCOME OR SUPPORT NOT PREVIOUSLY MENTIONED" field on the IMEN screen. If a CR fails to make an entry or inputs an "N" in this field, the IOTH screen is skipped.

**Recommendation  
3**

<sup>18</sup> Report of the National Opinion Research Center at the University of Chicago to the National Gambling Impact Study Commission, April 1, 1999.

<sup>19</sup> POMS SI 00830.525. Prizes.

To help CRs obtain the most complete unearned income information, we recommend that the IMEN screen be modified. We suggest parenthetical information, which

*Suggested Change* →



*Suggested Change* →

*Suggested Change* →

includes a reference to gambling/lottery winnings, be added under "OTHER INCOME OR

**Recommendation 4**

(see Table 1).

**Table 1. Recommended Changes to the IMEN Screen**

MSSICS  
INCOME MENU  
PAGE 3 OF IMEN  
[1-O]  
SSS-SS-SSSS SSSSS  
SSSSSSSSSS  
TRANSFER TO:XXXX  
[2-M] [3-D]  
SINCE THE FIRST  
MOMENT OF  
SS/01/SSSS, HAVE  
YOU RECEIVED OR  
EXPECT TO  
RECEIVE  
INCOME IN THE NEXT  
4 MONTHS FROM  
ANY OF THESE  
SOURCES  
  
Y/N  
X CHILD  
SUPPORT  
X OTHER  
BUREAU OF INDIAN  
AFFAIRS INCOME  
X SICK PAY  
(EARNED)  
X SICK PAY  
(UNEARNED)  
X WAGES  
X SELF-  
EMPLOYMENT  
INCOME  
X OTHER  
INCOME OR SUPPORT  
NOT PREVIOUSLY  
MENTIONED  
  
**(e.g., GAMBLING/LOTTERY WINNINGS, INHERITANCES, CASH GIFTS)**

Further, since gambling and lottery winnings are rapidly becoming more commonplace, we believe the IOTH screen should also have a specific entry for this type of income. Although the current IOTH screen appears full, we believe space can be adjusted by putting the contact name and telephone number on the same line.

**We recommend modifications shown in Table 2 be made to the IOTH screen.**

**Table 2. Recommended Changes to the IOTH Screen**

MSSICS	OTHER INCOME OR SUPPORT NOT MENTIONED	PAGE 1 OF IOTH
SSS-SS-SSSS SSSSS SSSSSSSSSS	[1-O]	TRANSFER TO: XXXX
[2-M]		
TYPE RECEIVED: 99		
1=GIFTS	9=WORK-RELATED UNEARNED INCOME	
2=PRIZES	10=UNSTATED INCOME	
3=AWARDS	11=UNIFORMED SERVICES SPEC PAY & ALLO	
4=CASH INHERITANCES	12=COUNTABLE ALASKA LONGEVITY BONUS	
5=IN-KIND INHERITANCES	13=EXCLUDABLE ALASKA LONGEVITYBONUS	
6=UNSPENT DEATH BENEFITS	14=COUNTABLE ANC PAYMENTS	
7=INSURANCE PROCEEDS	15=OTHER	
<b>8=GAMBLING/LOTTERY WINNINGS</b>		
[3-C]		
IF TYPE IS 15		
EXPLAIN: XX		
[4-M]	[5-O]	
SOURCE: XX	ID: XXXXXXXXXXXXXXX	
[6-M]		
ADDRESS: XXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXX		
[7-O]	[8-O]	
<b>CONTACT: XXXXXXXXXXXXXXXXXXXXXXX</b>	<b>PHONE: 999 999 9999</b>	
[9-O]	[10-O]	[11-O]
ANOTHER SOURCE (Y): X DELETE THIS SOURCE (Y): X REMARKS (Y): X		

**INCLUDE THE SSI UNEARNED INCOME REPORT AND PRIOR PAYMENT ACCURACY TASK FORCE REPORTS IN THE AGENCY'S SSI HIGH-RISK TRACKING DOCUMENTS AND RELATED REPORTS**

Information about SSI high-risk activities is not centralized, which made it both difficult and time-consuming for us to identify the extent of SSA's efforts to increase SSI payment accuracy, particularly those related to unearned income. The *SSI Initiatives Tracking Report*,<sup>20</sup> which is issued monthly, was a starting point, but it was not an exhaustive list. In the process of our identification of existing SSA unearned income payment accuracy efforts, we found that the Payment Accuracy Task Force Initiative is not included in the SSI monthly tracking report. Neither was it mentioned in the 1998 *SSI Management Report*. However, for the latter, we were assured that future publications would include our work after we met with OP, the component responsible for producing the annual management report.

**Recommendation  
5**

Ensure that recommendations from this SSI Unearned Income Report and prior Payment Accuracy Task Force reports are included in the monthly *SSI Initiatives Tracking Report*, subsequent SSI management reports, and other information systems related to SSI high-risk efforts.

***Section II: The Payment Accuracy Issue Team Recommends Modifications for Two Recently Initiated SSI High-Risk Activities that Address Unearned Income Payment Errors***

SSA's is aggressively taking actions to eliminate SSI's high-risk designation. We are fully supportive of these efforts; but, for two of the recently initiated activities, we have some concerns and recommend the following modifications.

<sup>20</sup> SSA's Principal Deputy Commissioner distributes the *SSI Initiative Tracking Report*.

## ***Adapting the Unearned Income Portion of the April 1999 IVT for Virtual On-Line Training***

To reinforce the recently released SSI unearned income POMS rewrites and related program circular, the Office of Training and the Office of Operations conducted interactive video training sessions on earned and unearned income during various times in April 1999. (See Appendix D.) Although we fully support the IVT concept, during our site visits we heard concerns about its delivery and long-term effectiveness.

We found varying degrees of participation, with workload and access as the primary determinates for participation. Two reasons most often cited for nonparticipation were that: 1) it would be too disruptive to the public if the office completely closed so all staff could fully participate and/or 2) the office was not IVT equipped.<sup>21</sup> In both situations, the field offices relied on videotapes of the training. However, these negate one of the main purposes for using IVTs, i.e., to allow immediate feedback and interaction between participants and presenters. We also heard a need for follow-up on-site training to reinforce what was discussed during the IVT. Since there is usually a time lag between the IVT and actual on-the-job application, it is difficult for participants to have total recall of what was discussed.

### **Concern**

→ The SSI program has become increasingly complex since its inception. As such, we believe it is incumbent on the Agency to assure staff receive the training it needs to keep abreast of these changes. This is particularly applicable to the recent SSI unearned income POMS rewrites.

### **Recommendation 6**

→ **We recommend, as a form of follow-up training, that the SSI unearned income portion of the April 1999 IVT should be adapted for on-line training via SSA's Virtual Campus, <http://training.ba.ssa.gov/ot/pages/training/>.**

<sup>21</sup> Sixty-five percent of SSA's field offices had direct IVT access at the end of 1998.

### ***Pursuing Direct On-Line Access to State Child Support Enforcement Agency Records Rather Than Through the Federal Case Registry***

We heard repeatedly during our site visits that CRs believe on-line access to State data will, to a large extent, improve detection of unearned income, particularly child support payments. Unreported or inaccurate child support payments projected to \$47.6 million in FY 1997 IDA SSI unearned income dollar deficiencies.<sup>22</sup> Most of the deficiencies resulted from fluctuations in the amount of child support payments and from representative payees/recipients' failure to correctly report the amount of child support payments. Field office deficiencies primarily resulted from staff either failing to consider mailing time, making incorrect calculations, or inputting changes in payment amounts based on allegations.

One of SSA's high-risk activities that is to purportedly help reduce child-support payment errors is a legislative proposal to permit access to the Federal Case Registry containing OCSE State data. This information would *only* indicate court-ordered child support. States are not required to provide data on child support collections to the Federal Case Registry. As such, the purposed access would not provide essential information about the amount, frequency, or actual receipt of payment. These three elements are the most critical for calculating timely and accurate SSI benefits.

#### **Concern**

We are not convinced that the payoff will justify the administrative expense. At best, SSA could use the Federal Case Registry information about child support orders to provide an investigative lead or be an alert that possible unreported child support exists. However, further verification of this information would still require a labor-intensive pursuit by CRs. To prevent over or underpayments, CRs need to know how much child support is actually being received at the time eligibility or benefit amounts are determined, and not after-the-fact. This real-time information is not available in the portion of the OCSE data base the legislative proposal is requesting.

<sup>22</sup> Child support payments are counted as unearned income to a child and are considered in determining the amount of SSI monthly payment. One-third of the child support payment is excluded from the computation for SSI payments made by an absent parent.

However, as reported by GAO, more detailed child support information should be available under 1996-welfare reform legislation.<sup>23</sup> States were mandated to have computerized statewide data systems in operation at the beginning of FY 1998. These systems should include: 1) States' centralized child support payment collection and disbursement data required for identification, receipt, and distribution of CSE and non-CSE child support payments and 2) States' case registries for both CSE and non-CSE cases.

We believe SSA has a mechanism in place that could help pursue State agreements for SSA access to this more useful OCSE child support information. As of August 1999, the SSA Access to State Records Online (SASRO) project had agreements with 31 States, and a total of 55 State agencies, to provide some degree of on-line access between States and SSA for such State data as human services, vital statistics, unemployment compensation, wages, and workers' compensation.

**Recommendation  
7**

→ **We recommend that ODISP, as the SSA lead component for SSI High-Risk and Information Exchange activities, should discuss with HHS OCSE the sufficiency of existing laws to permit on-line access to State child support enforcement (CSE) agency records on child support payments. If sufficient, then ODISP should request that HHS OCSE issue a guidance letter to the State CSE agencies to provide SSA title XVI CRs with on-line single query access to such records. ODISP should then request that Operations make access to CSE as one of the target agencies in its SASRO project. Actual costs should be minimal since SSA already has a leased data line into every State capitol. Some additional travel and contacts funding will be needed, e.g., to pay for screen development or secure Internet access to incompatible CSEs.**

However, if existing laws are not sufficient, we recommend that ODISP should request OLCA to propose a legislative initiative to address any SSA or OCSE concerns.

**Recommendation  
8**

→ **At a minimum, we believe that if SSA continues to pursue its current legislative proposal to access the Federal Case Registry of Child Support Orders, the following addendum**

<sup>23</sup> *Supplemental Security Income: Increased Receipt and Reporting of Child Support Could Reduce Payments* (GAO/HEHS-99-11, January 1999 ).

be included: States should be required to provide data on child support collections, receipt, and distribution to the Federal Case Registry.

***Section III: Highlight of Field Offices' Best Practices That May Be Adapted by Other Field Offices to Reduce SSI Unearned Income Payment Errors***

During the course of our information gathering, we either directly observed or were told about practices field offices have developed for their own use to improve payment accuracy. Even though we did not quantitatively measure effectiveness of these practices, we believe they are useful ideas that other field offices may want to consider tailoring to meet their own needs. Although more broad in scope, any of these activities can be used to address SSI unearned income issues. Also, we realize that this is not an exhaustive list and it is only limited to the field offices we visited.

***Proactively Engaging in Community Outreach***

One field office we visited used an ethnic community's local radio station to improve knowledge of SSA programs. In cooperation with the local Vietnamese radio station, a CR, fluent in the Vietnamese language and familiar with the Vietnamese culture, answers call-in questions about all aspects of the title II and title XVI programs. The segment is aired live every Friday. The CR is given time during the work day to prepare for the weekly radio program. The field office reports improved interaction between field office staff and the Vietnamese community. Purportedly, cultural sensitivity among the field office staff has been heightened and an understanding of expected program benefits within the community has increased. The same office uses its Public Affairs Specialist to proactively attend community meetings and give presentations about SSA programs.

In another field office we visited, the manager is very active in developing and maintaining community links, particularly by speaking to community service organizations. Following a speaking engagement, we were told the field office usually

experiences an increased number of inquiries about SSI eligibility and benefits.

### ***Playing SSA Informational Videotapes***

We observed in a couple of field offices we visited that a television was placed in the reception area showing SSA informational tapes. Staff told us that they receive positive feedback from clients viewing these tapes and that the videos generate many questions. The field office manager was hopeful that more videos would be released to help educate the public about various aspects of SSA programs.<sup>24</sup>

### ***Displaying Program Information in Languages Other Than English***

Also, in several field offices, we saw program information displayed in the various languages used by its client base, e.g., Vietnamese, Spanish, and Armenian. Since English is the second language for the majority of recipients in these offices, the translations serve as useful aids to help explain SSI reporting responsibilities.

### ***Developing Ongoing Partnerships with State, Local, and Community Agencies/Contractors to Better Serve Mutual Clientele***

One field office has designated two CRs and one service representative to meet periodically with various service area agencies and entities sharing mutual clientele, e.g., the Salvation Army, State and local welfare agencies and their contractors. These meetings help heighten SSI programmatic awareness and assure that more accurate information about SSI requirements is disseminated to current or future recipients. Further, the field office uses a messenger service to hand carry

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<sup>24</sup> The Office of Communication's on-line Public Affairs Resource Center (PARC) has a list of public information videos, e.g., *SSI: A Friend Indeed*, *SSI Helping Kids*, and *Focusing on Service*; employee information videos; and 30-second public service announcements. These are available upon field office request and the web site can be accessed through <http://eis.ba.ssa.gov/parc/using-visuals/ssa-videos/ssa-videos.htm>.

information between the different organizations and SSA. This practice increases the likelihood of expedient eligibility determinations and more accurate benefit calculations.

### ***Outstationing a State Welfare Worker at a Local Field Office***

A State TANF representative was outstationed at one local field office. This on-site contact allowed CRs to more expediently and accurately detect and verify State data. It also provided TANF recipients direct point-of-service contact with the State agency representative. Other area field offices also used the outstationed representative's services.

### ***Sending Monthly Reminders to Report Any Income Changes***

One field office uses a monthly mailer that serves as a reminder for recipients to report any income changes. It contains cumulative information about prior reported changes, allowing review by both the recipient and the field office. It is printed on yellow paper so the recipient can easily recognize it in the mail. After filling out either a change or indicating there is no change for that month, the form is returned to the field office postage paid. We were told that recipients rapidly learn to anticipate this form and call the field office if they do not receive it when expected.

# Recap of Recommendations

SSA has initiated numerous activities to increase the SSI payment accuracy rate to 96 percent by FY 2002, some of which are directly related to increasing understanding and reporting of unearned income. We believe that, as the SSI program is currently structured, our suggested changes, plus existing SSA practices and recently initiated activities, will produce SSI unearned income payment accuracy improvements. The following recaps our recommendations.

- **Section I** -- To complement SSA's recently initiated SSI high-risk efforts, we recommend the following changes to help decrease SSI unearned income payment errors:

1. *Specific to unearned income*, include a handout listing the types of unearned income in the recordkeeper or print the list on the recordkeeper folder itself. (See page 8 of this report.)

*In general*, remind field offices of the POMS guidance for using and distributing the recordkeeper folders and of the reordering process.

2. Retitle the POMS section, *Prizes*, as *Gambling and Lottery Winnings and Other Prizes* so CRs can more easily locate instructions about properly counting gambling/lottery winnings. (See page 9 of this report.)
3. Modify the MSSIC Income Menu (IMEN) screen by adding parenthetical information, which includes a reference to gambling and lottery winnings, under "OTHER INCOME OR SUPPORT NOT PREVIOUSLY MENTIONED." (See page 9 of this report.)
4. Modify the MISSIC Income Other (IOTH) screen so that gambling and lottery winnings can be listed under "TYPE RECEIVED." (See page 10 of this report.)

5. Ensure that recommendations from the SSI Unearned Income Report and prior Payment Accuracy Task Force reports are included in the Agency's monthly *SSI Initiatives Tracking Report*, subsequent SSI management reports, and other information systems related to SSI high-risk efforts. (See page 11 of this report.)
- **Section II** -- To address our concerns about some of SSA's recently initiated efforts, we recommend the following changes to help decrease SSI unearned income payment errors:
6. As a form of follow-up training, adapt the SSI unearned income portion of the April 1999 IVT for on-line training via SSA's Virtual Campus, <http://training.ba.ssa.gov/ot/pages/training/>. (See page 12 of this report.)
  7. The Office of Disability and Income Security Programs (ODISP), as the SSA lead component for SSI High-Risk and Information Exchange activities, should discuss with the Department of Health and Human Service's (HHS) Office of Child Support Enforcement (OCSE) the sufficiency of existing laws to permit on-line access to State child support enforcement (CSE) agency records on child support payments. If sufficient, then ODISP should request that HHS OCSE issue a guidance letter to the State CSE agencies to provide SSA title XVI claims representatives with on-line single query access to such records. ODISP should then request Operations to make access to CSE as one of the target agencies in its SASRO project.

However, if existing laws are not sufficient, ODISP should request the Office of Legislative and Congressional Affairs (OLCA) to propose a legislative initiative to address any SSA or OCSE concerns. (See page 14 of this report.)

8. *At a minimum*, if SSA continues to pursue its current legislative proposal for access to the Federal Case Registry of Child Support Orders, the following addendum should be included: States should be required to provide data on child support collections, receipt, and distribution to the Federal Case Registry. (See page 14 of this report.)

# Other Payment Accuracy Issues

Several, much broader, payment accuracy issues emerged during our review that went beyond our issue team's mission. These pertain to payment accuracy in general, and not SSI unearned income specifically. However, we believe it is incumbent upon us to mention these and to provide corresponding suggestions.

## □ **Establishing a Formal SSI Policy**

We found that there was no formal SSI policy established to help focus short- and long-term priorities and efforts, much less to specifically address unearned income. Both GAO and the Social Security Advisory Board have also identified a need for improvements in SSI's policy, program management, and research agenda to make the program more responsive to today's demographic and fiscal changes.<sup>25</sup>

SSA has begun to address these concerns, establishing an Office of Policy (OP) in 1998, with a Division dedicated to such income security issues as SSI. OP appointed an Associate Commissioner for the Office of Disability and Income Assistance Policy (ODIAP), which coincided with the beginning of our issue team. When we met with the ODIAP staff, they encouraged suggestions related to SSI policy development, future studies, and pilot projects related to improving payment accuracy.

**Suggestion**

**We suggest that OP, as it sets its priorities and develops an Agency SSI policy, use the Payment Accuracy Task**

<sup>25</sup> *Supplemental Security Income: Action Needed on Long-Standing Problems Affecting Program Integrity* (GAO/HEHS-98-158), September 1998; *Social Security Advisory Board's Statement on the SSI Program* (in SSA's Annual Report on SSI), May 1999.

Force's reports, OQA's *SSI IDA* and *Stewardship* report, and the Social Security Advisory Board's reports to help identify payment accuracy priorities.<sup>26</sup>

□ ***Emphasizing Quality Assurance As an Integral Part of the Operation Process to Improve Payment Accuracy***

As we reviewed the issue of SSI unearned income among our issue team experts, plus from our interviews with CRs and other field office staff, we found a lack of emphasis on quality assurance. This situation may be attributed to a number of reasons, e.g., an emphasis on processing time, the lack of quality feedback at the local level, the lack of quality measures locally and regionally, and the absence of accountability for quality.

***Suggestion***

**In addressing SSI high-risk areas, such as unearned income, the Agency should emphasize quality as an integral part of the operational process. One method we suggest that can help field offices develop payment accuracy improvement strategies is OQA's field assistance visits (FAV). FAVs are confidential reviews conducted by OQA regional staff. Field offices are selected by consultation with Regional Commissioner's staff. A FAV identifies error prone areas, best practices, and training needs to improve a field office's performance. Findings are discussed with office management and staff, individually and in groups. All feedback is confidential to the field office.<sup>27</sup>**

<sup>26</sup> The *Stewardship* review consists of a monthly sample selection and review of a snapshot of Retirement and Survivors Insurance (RSI) and SSI cases. For each sample case, OQA interviews the claimant or representative payee, makes collateral contacts, as needed, and redevelops all factors of eligibility for the current sample month. Findings are used to prepare an annual *Stewardship* report for Congress and other higher monitoring authorities.

<sup>27</sup> OQA uses information from FAVs to identify generic information on best practices or problems without field office identity being compromised.

## ***Reviewing the Impact of Title II and Title XVI Concurrent Eligibility on Payment Accuracy<sup>28</sup>***

Concurrent title II and title XVI eligibility produced the highest number of payment errors and the most projected FY 1997 IDA SSI unearned income deficiency dollars, accounting for a projected \$55.4 million in our sample cases. These resulted from an initial title II monthly benefit being paid during the month an SSI payment was received. As an example, a person receives his/her SSI payment of \$500 on the first of the month and then receives an initial title II benefit of \$800. Later that month, s/he becomes SSI ineligible due to excess income and has a \$500 overpayment. Although SSA administers both programs, it currently has no procedural or systemic processes to avoid these deficiencies.

We are aware that this issue has been an ongoing concern for the Agency, and that much dialogue has taken place about this issue. However, we strongly believe that the issue team would be remiss if we did not include this issue in our report, especially since title II and title XVI concurrent entitlement payment errors continue to adversely impact payment accuracy.

### ***Suggestion***

**In light of the Agency's goal to achieve 96 percent payment accuracy by Fiscal Year 2002, and since this payment category produces a high number of payment errors, we believe it is still beneficial for the Agency to revisit this issue, and to strive for a way to address these errors.**

#### ***□ Developing a Field Office Information Channel Similar to Information Channel 55 in Headquarters***

In our *Best Practices* section of this report, we highlighted the use of videos to convey program information to recipients as they waited in the reception area for their

<sup>28</sup> We realize that this issue is within the scope of SSI unearned income, but we believe it is better discussed in this section of the report.

***Suggestion***

appointments. One of the drawbacks mentioned was the lack of relevant videos. Another disadvantage, especially for field offices with limited or with no separate reception area, was that the volume is disruptive during recipient interviews.

**An alternative vehicle to disseminate information could be the development of a field office information channel similar to Information Channel 55 used in Headquarters.<sup>29</sup> A television monitor would be stationed in the field office reception area to silently scroll information regarding SSA programs. For example, a list of SSI unearned income could periodically be scrolled across the screen.**

**A possible link could be through SSA's IVT facilities that already has hook-ups with approximately 800 field offices, DDSs, and OHA offices. There are currently plans to connect another 700 offices. With minimal cost, a co-axel cable could be run from the IVT monitors to a separate television monitor in the reception area. This system would supplement or replace videos and would allow field offices to have access to a central broadcast station.**

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<sup>29</sup> In June 1999, SSA began broadcasting on Information Channel 55. This electronic information system disseminates employee information via television sets strategically located throughout the main headquarters complex.



# ***Appendices***

# Appendix A

## **Payment Accuracy Unearned Income Issue Team**

### **Permanent Team Members**

- **Office of the Inspector General/Office of Audit**  
Carolyn Neuwirth, Deputy Director  
Evan Buckingham, Program Analyst

### **Members Detailed to Team**

- **Deputy Commissioner for Disability and Income Support Programs/Office of Program Benefits Policy**  
Patti Gavin, Social Insurance Specialist, Headquarters
- **Deputy Commissioner for Operations/Norwalk, Connecticut Field Office**  
Daniel Perrotta, Claims Representative
- **Deputy Commissioner for Finance, Assessment and Management/Office of Quality Assurance and Performance Assessment**  
Janice Slattery, Social Insurance Specialist, Headquarters
- **Deputy Commissioner for Operations/Clifton, New Jersey Field Office**  
Janet Stein-Pezza, Operations Supervisor

# Appendix B

## **Payment Accuracy Task Force Steering Committee**

**Daniel Devlin**, Acting Inspector General for Audit, Office of Inspector General, Chairperson of the Steering Committee

**Ernestine Durham**, Director, Division of Operations Management, Office of Public Service and Operations Support, Office of the Deputy Commissioner for Operations

**Marilyn O'Conne II**, Associate Commissioner, Office of Program Benefits, Office of the Deputy Commissioner for Disability and Income Security Programs

**Mark Nadel**, Associate Commissioner, Office of Disability and Income Assistance Policy, Office of Policy

**Thomas Evans**, Associate Commissioner, Office of Quality Assurance and Performance Assessment, Office of the Deputy Commissioner for Finance, Assessment, and Management

**Vince Sanudo**, Deputy Associate Commissioner, Office of Communications Planning and Technology, Office of the Deputy Commissioner for Communications

**Kelly Croft**, Director, Office of Workforce Analysis, Office of the Deputy Commissioner for Human Resources

**Pete Herrera**, Associate Commissioner, Office of Systems Requirements, Office of the Deputy Commissioner for Systems

**Virginia Baker**, Social Insurance Specialist for OASI Benefits, representing the Office of the Deputy Commissioner for Legislation and Congressional Affairs

**Pat Sasse**, Analyst, representing the Office of Strategic Management, Office of the Principal Deputy Commissioner

*\*Some persons listed above were designated representatives of their respective Associate Commissioners or of their component's equivalent to the Associate Commissioner.*

## ***Appendix B (continued)***

### ***Payment Accuracy Task Force Advisors***

- ***Office of the Inspector General***  
Scott Patterson
- ***Office of Quality Assurance and Performance Assessment***  
John Culverhouse  
Robert Marks
- ***Office of Legislation and Congressional Affairs***  
Sarah Rocklin
- ***Office of System Requirements***  
Bonnie Beard
- ***Office of Workforce Analysis***  
Shelia Somerville

# Appendix C

## **Types of Unearned Income**

- Title II Benefits
- Black Lung Benefits
- Office of Personnel Management Benefits (Civil Service and Federal Employee Retirement System)
- Railroad Retirement Benefits
- Unemployment Insurance Benefits
- Worker's Compensation
- Military Pensions
- Veterans Administration
  - Pensions
  - Compensation
  - Educational Assistance
  - Aid and Attendance Allowance
  - Clothing Allowance
  - Payments Adjusted for Unusual Medical Expenses
  - Payments to Vietnam Veterans' Children with Spina Bifida
  - Insurance Payments
  - Allotments and Augmentations
  - Burial Benefits
- Temporary Assistance for Needy Families
- Emergency Assistance under title IV-A
- Other Needs Based Payments (administered by State and local governments or private organizations)
- Foster Care Benefits
- Adoption Assistance
- Child Care Payments
- Child Support
- Alimony/Spousal Support
- Grants/Scholarships/Fellowships
- Department of Education or Bureau of Indian Affairs Involvement
- Dividends/Interest
- Rental Income
- Royalties
- Awards
- Prizes
- Lottery/Gambling Winnings
- Gifts
- Payments under the Job Training Partnership Act
- Job Corps Payments
- Americorps and National Civilian Community Corps payments
- Military Pay and Allowance
- Sick Pay (unearned)
- Death Benefits
- Proceeds of Life Insurance Policies
- Lump Sum Death Payment (LSDP)
- Inheritances
- Cash or Gifts (given by others to help out with expenses related to the death)
- Low Income Energy Assistance

## ***Appendix C (continued)***

- Home Energy Assistance/Support and Maintenance Assistance
- Action Programs/Domestic Volunteer Services
- Payments from Community Service Block Grants
- Disaster Assistance
- Federal Emergency Management Administration's Emergency Food Distribution and Shelter Programs
- Federal Housing Assistance
- Federally Administered Food Programs
- Programs for Older Americans
- Refugee Assistance
- Relocation Assistance
- Victims' Compensation Payments
- Payments to Victims of Nazi Persecution
- Austrian Social Insurance Payments
- Japanese-American and Aleutian Restitution Payments
- Netherlands Act on Victim of Persecution (WUV)
- Agent Orange Settlement Payments
- Radiation Exposure Compensation Trust Fund Payments
- Payments to Native Americans

# Appendix D

## **SSI High-Risk Activities That Address Unearned Income Payment Errors**

### **REINFORCING KNOWLEDGE OF UNEARNED INCOME**

#### ***Issuing an Unearned Income Program Circular***

On January 14, 1999, the Office of Program Benefits (OPB) released *SSI Program Circular SSI Error Prevention: Unearned Income POMS Noncompliance 02-99-OPB*. It contains tips and reminders to prevent unearned income payment errors on such topics as unemployment insurance, child support payments, and income based on need. The program circular was mailed to field offices and is also available on SSA's web site, <http://policynet.ba.ssa.gov>.

#### ***Revising Program Operations Manual System (POMS) Unearned Income Sections***

In April 1999, a POMS transmittal on unearned income, *SI 00830.000 Transmittal Number 80*, was released to provide clearer and more helpful instructions in support of SSA's efforts to improve SSI payment accuracy.<sup>1</sup> It includes clarifications in such areas as child support, *SI 00830.420*; gifts, *SI 00830.520 and SI 00830.521*; and Temporary Assistance for Needy Families (TANF), *SI 00830.403*. It also includes a new section on State disability payments, *SI 00830.250*. POMS is available in hard copy, on CD-ROM, and at SSA's web site, [http://eis.ba.ssa.gov/OP\\_Home/policy.html](http://eis.ba.ssa.gov/OP_Home/policy.html).<sup>2</sup>

<sup>1</sup> SSI high-risk POMS rewrites were recommended in November 1998 by the SSA Tri-Regional Workgroup, which was established by the Deputy Commissioner of Operations in 1997 to help improve SSI payment accuracy. The workgroup gradually expanded to include all regions.

<sup>2</sup> There is an underscore between the OP and Home, i.e., OP\_Home.

## ***Appendix D (continued)***

### ***Conducting Interactive Video Training on Unearned Income***

To clarify the POMS changes and the new program circular, the Office of Training (OT) and the Office of Operations conducted interactive video training (IVT) sessions on earned and unearned income during April and June 1999. The *Title XVI High Risk IVT Broadcast on Unearned Income* included tips and reminders about unemployment compensation, child support, foster care and adoption assistance, income based on need, and gifts. Each session concluded with a question and answer period. These questions, plus those received after the training, are posted on OT's web site, <http://training.ba.ssa.gov/ot/>.

### ***Studying State Temporary Assistance for Needy Families (TANF) and SSI Program Compatibility***

Public assistance based on need projected to \$24.6 million in FY 1997 IDA SSI unearned income dollar deficiencies. These payment errors were related to Aid to Families with Dependent Children (AFDC) benefits.<sup>3</sup> Although the AFDC program was replaced in 1996 with TANF, similar payment errors will persist.<sup>4</sup> SSA still needs to rely on self-reported receipt or termination of TANF benefits when determining SSI eligibility and calculating proper payment amounts. Prior to 1996, Federal law prohibited a claimant from concurrent entitlement to AFDC and SSI. The Federal law authorizing TANF contains no such prohibition.

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<sup>3</sup> Field office deficiencies resulted from staff failing to verify termination of AFDC benefits and/or incorrectly calculating the monthly SSI payment. There were two reasons an incorrect calculation was made. Either the number of AFDC payments received per month was entered incorrectly or the claimant's share of the AFDC payment was apportioned incorrectly. Other deficiencies that occurred were a claimant being verbally misinformed by the state about his/her need to report AFDC benefits or a claimant/representative payee failing to report unearned income.

<sup>4</sup> The terms and acronyms AFDC and TANF are often used interchangeably by the States and within SSA.

## ***Appendix D (continued)***

Since States have full authority to manage their own TANF program, it varies from State-to-State. These differences make it more difficult for SSA to verify receipt or termination of TANF. Without this capability, inaccurate payments are highly probable.

To better understand TANF's effect on the SSI program, SSA's Offices of Program Benefits (OPB) and Operations began a cooperative study in August 1999. This review examines various State TANF programs to determine the details of State plans; analyze differences and similarities; and identify any needed changes in policy/practice.

### **FOUR SSI HIGH-RISK ACTIVITIES HELP DETECT AND VERIFY UNEARNED INCOME**

#### ***Making More Frequent Data Matches with Other Federal Agencies***

SSA has recently enhanced its Federal data matching activities in an effort to more accurately and timely identify unearned income. Beginning in September 1999, the data match with the Veterans Administration (VA) will be conducted monthly rather than bimonthly. This increased frequency is especially critical since undetected or inaccurate VA compensation or pension benefits projected to \$41.8 million FY 1997 IDA SSI deficiency dollars.

In October 1998, SSA began making the Unemployment Compensation Match with the Office of Child Support Enforcement's (OCSE) National Directory of New Hires on a quarterly rather than biannual basis. It includes all States, whereas, previously only 42 States participated. Further, it is completed in a single operation rather than State-by-State. These changes should help reduce unemployment insurance payment errors, which projected to \$29.6 million FY 1997 IDA SSI deficiency dollars. Also, beginning in September 1999, Railroad Retirement Board and Office of Personnel Management (OPM) data matches will be conducted monthly,

and the pension match with the Department of Defense will be done quarterly.

## ***Appendix D (continued)***

### ***Establishing On-Line Access to State Data***

In addition to Federal data matching agreements, SSA has developed the SSA Access to State Records Online (SASRO) project to provide on-line access between States and SSA. In particular, SSA has access to such State data as human services, vital statistics, unemployment compensation, wages, and workers' compensation. As of August 1999, there are 31 States, with a total of 55 State agencies, participating at varying degrees in SASRO. SSA has a marketing team aggressively pursuing further State agreements.

### ***Proposing a Legislative Change for CSE Child Support Information***

One of SSA's high-risk activities is a legislative proposal to permit access to the Federal Case Registry of Child Support Orders. This link will indicate court-ordered child support. However, it will not provide information about the amount, frequency, or actual receipt of payment.

### ***Chartering an Intercomponent Child Support Workgroup***

An intercomponent workgroup focusing on child support issues was chartered in November 1998 and is chaired by OPB. It is charged with identifying on-going SSA activities to address child support payments. The workgroup also recommends additional actions SSA should take to ensure child support is being properly reported and accounted for in determining monthly SSI benefit payments.

## ***Appendix D (continued)***

### **PROPOSING A LEGISLATIVE CHANGE TO EXCLUDE CERTAIN INTEREST AND DIVIDEND INCOME**

SSA is proposing a legislative change to exclude all interest and dividend income earned on countable liquid resources when determining an individual's eligibility or benefit amount. The proposed modification would also change the infrequent and irregular unearned income exclusion to \$60 per quarter rather than the current \$20 per month, which can only be excluded once during a quarter. Amending the law would restore the original intent of the Social Security Act, which allowed a \$60 per quarter exclusion.

# Appendix E

## SSA Key Contacts

### **Office of Automation Support**

William Gray  
Kenneth Walsh

### **Office of Communications and Planning Technology**

Rusty Toler

### **Office of External Affairs**

Ronald Collier  
Charles Fosler

### **Office of General Counsel**

Hedy Gordon  
Lisa Rayo

### **Office of Information Management**

Marci Sturgill

### **Office of Legislation and Congressional Affairs**

Sarah Rocklin

### **Office of Policy**

Pamela Mazerski  
Mark Nadel

### **Office of Program Benefits**

Kenneth Brown  
Renee Parent

### **Office of Program Support**

Peter Monaghan

### **Office of Publications and Logistics Management**

Frederick Brickencamp  
Elizabeth Davidson  
Craig Hartsen

### **Office of Public Service and Operations Support**

Maurice Norwood

### **Office of Quality Assurance and Performance Assessment**

John Culverhouse  
Gary Greene  
Ellen Lesniewski  
Norman Linden  
Phil Young

### **Office of Systems Requirements**

Bonnie Beard  
Eddie Howard

### **Office of Telephone Services**

Renee Lockhart

### **Office of Training**

Margaret Rawls

### **Office of Workforce Analysis**

Leonard Ross

### **Regional Offices**

William Casey  
Robert Rush

# Appendix F

## **Modernized Supplemental Security Income Claims System (MSSICS) – Unearned Income Screens**

MSSICS is used to obtain applicant information during the Supplemental Security Income (SSI) initial claims and redetermination processes. Sections in MSSICS are application data (age, disability, residency, alien status, citizenship), living arrangements, resources, income (earned and unearned) and other potential benefits.

In the income section (I), categories are generalized under the Income Menu (IMEN) screen, which shows each category of income for recipients and their eligible or ineligible spouses, mothers and fathers, and other family members whose income affects SSI payments.

Except as noted, income is counted in the second month after receipt, unless it caused ineligibility in the month received. Automatic interfaces already in place allow updating for individuals shown on the Supplemental Security Record (recipient or spouse) who directly receive the income. Updating does not occur for other family members or individuals paid indirectly. An affirmative response for a category would generate a more specific income screen. Specific information for each screen can be found in *Modernized Systems Operations Manual (MSOM)*, Chapters 131, 132, 134 and 136. The screens, in the order that they appear, are:

- ❑ **State or Local Assistance Based on Need (ISLA)** - all public assistance received other than Temporary Assistance to Needy Families (TANF), a program previously classified as Public Assistance Based On Need (PABON), Aid to Families with Dependent Children (AFDC/ADC) or Income Based On Need (IBON). The income documented on this screen is generally not counted against SSI payments.
- ❑ **Refugee Cash Assistance Payment (IRFG)** - refugee payments to Cubans, Haitians and other federally funded General Assistance payments to refugees. This income is counted when received and is based on the portion of the family grant amount attributable to the SSI recipient.
- ❑ **Aid to Families with Dependent Children (IADC)** - payments under the federally funded Aid to Families with Dependent Children (AFDC) program. These payments have been replaced by Federal

## Appendix F (continued)

Block Grants to States. AFDC would normally include all qualified members of a household, but would be reduced if a member of the household became eligible for SSI. This income is counted when received and is based on the portion of the family grant amount attributable to the SSI recipient.

- ❑ **General Assistance from Bureau of Indian Affairs (IBIA)** - family grant amounts paid to families by Bureau of Indian Affairs. This income is counted when received and is based on the portion of the family grant amount attributable to the SSI recipient.
- ❑ **Disaster Relief (IDIR)** - any disaster relief assistance received; generally not counted against SSI payments.
- ❑ **Department of Veterans Affairs Based on Need (IVAE)** – needs-based VA benefits, including amounts received for dependents.
- ❑ **Social Security (ISSA)** - current, past or pending Old-Age, Survivors, and Disability Insurance benefits are input manually or automatically detected through the Social Security Record/Master Beneficiary Record (SSR/MBR) interface operation.
- ❑ **Other Income Based on Need (IIBN)** - Title IV-E Foster Care and Adoption assistance and private needs-based assistance, as well as income that can be excluded by statute or policy.
- ❑ **Black Lung (IBLG)** - Department of Labor payments and SSA payments under Part B and Part C, the Black Lung provisions, are input manually or automatically detected through the SSR/MBR interface operation.
- ❑ **Railroad Board Benefits (IRRB)** - annuity, augmented annuity, sickness, strike benefits, and unemployment paid under the Railroad Retirement Act are input manually or automatically detected through the SSR/RRB interface.
- ❑ **Department of Veterans Affairs Not Based on Need (IVAC)** - parenthetically described as “paid directly or indirectly as a dependent,, are input manually or automatically detected through the SSR/MBR interface operation. Includes compensation, pension, educational benefits, life insurance and disability insurance payments.
- ❑ **Office of Personnel Management (IOPM)** - any annuity paid through OPM is input manually. Cost-of-Living Adjustments are automatically detected through the interface operation.
- ❑ **Pension Income (IPEN)** - military, State, local, private retirement, private disability, union retirement, union disability, foreign government, foreign private, insurance disability, annuity, and Federal non-OPM pensions.
- ❑ **Unemployment Compensation (IUEM)** - unemployment insurance paid under State or local unemployment compensation laws.

## Appendix F (continued)

- ❑ **Workers' Compensation (IWCP)** - workers' compensation paid through Federal, State or private plans.
- ❑ **Interest Income (IINT)** - directly related to various resource screens. Allegations of certain types of resources result in possible income to the recipient from the same source (i.e., a savings account could be both a resource and provide income to the recipient in the form of interest). On the resource screens where ownership of a resource could provide income, certain entries are pre-filled on the income screens. Special conditions result in information from the resource data being pre-filled to the income screen. Interest income can be shown as received from checking, savings, credit union, Christmas club or individual Indian money accounts, time deposits and other interest income sources.
- ❑ **Dividends (IDIV)** - stocks and bonds resource screen responses on dividends corresponds to this income screen. This includes dividend income from stocks, bonds, mutual funds or any other resource.
- ❑ **Royalties/Honoraria – Unearned (IROY)** - used to document any royalties/honoraria that the recipient receives that are counted as unearned income. If they are determined to be earned, they are shown as wages (see IWAG screen below).
- ❑ **Rental/Lease Income - Not From a Trade/Business (IRLI)** - this screen is used to document rental/lease income. Rental expenses are also documented on this screen. In order for the system to calculate the net rent countable against the SSI payments, monthly amounts of expenses and income must be manually computed. This screen will not prorate excess rental expenses, and amounts entered as expenses are not deducted from the gross income.
- ❑ **Alimony (IALI)** – court-ordered or voluntary alimony or support to the person.
- ❑ **Child Support (ICHS)** – court-ordered or voluntary child support payments. MSSICS will automatically determine if the individual is eligible for the one-third child support exclusion based on information in the MSSICS pending file. If not eligible for the one-third exclusion, MSSICS will determine the correct amount and type of income to be counted.
- ❑ **Other Bureau of Indian Affairs Income (IOIA)** - Bureau of Indian Affairs income (other than general assistance) that the person receives. Adult Custodial Care (ACC) assistance and Child Welfare Assistance (CWA) payments that the person receives when not institutionalized are entered on this screen. ACC and CWA payments made to an institution on behalf of an institutionalized recipient are entered on the ISM screen.

## ***Appendix F (continued)***

- ❑ ***Sick Pay - unearned (ISPU)*** - sick pay charged as unearned income. Any payment of sickness and accident disability paid more than 6 months after work stopped, or paid within 6 months after stopping work and attributable to employee's own contribution.
- ❑ ***Sick Pay - earned (ISPE)*** - sick pay charged as earned income. Any payment of sickness and accident disability paid within 6 months after stopping work and not attributable to employee's own contribution.
- ❑ ***Wages (IWAG)*** – wages.
- ❑ ***Self-employment Income (ISEI)*** - self-employment income.
- ❑ ***Other Income or Support Not Mentioned (IOTH)*** - includes all other forms of income, including gifts, prizes, awards, cash inheritances, in-kind inheritances, unspent death benefits, insurance proceeds, work-related unearned income, unstated income, uniformed services special pay and allowances, countable Alaska longevity bonus, excludable Alaska longevity bonus, countable Alaska Native Claims (ANC) payments, or other income.