

OIG

Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Informational Report*

Social Security Benefits Paid Before  
and After an Individual's Death

*A-05-16-50123 | September 2016*

**OIG** Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

**MEMORANDUM**

**Date:** September 14, 2016

**Refer To:**

**To:** The Commissioner

**From:** Acting Inspector General

**Subject:** Social Security Benefits Paid Before and After an Individual's Death (A-05-16-50123)

The attached final report presents the results of the Office of Audit's review. We completed this review to determine the type, and duration, of Social Security benefits paid to individuals, as well as their auxiliaries and survivors, before and after each individual's death. We also determined the characteristics of those paid and those not paid any type of benefit.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, at 410-965-9700.



Gale Stallworth Stone

Attachment

# Social Security Benefits Paid Before and After an Individual's Death

## A-05-16-50123

September 2016

Office of Audit Report Summary

### Background

Individuals must meet specific criteria to qualify for Social Security benefits. Qualifications for Old-Age, Survivors and Disability Insurance (OASDI) benefits include age, insured status, relationship, lawful presence, and disability. Supplemental Security Income (SSI) has some of the same requirements but also includes household living arrangements, income, and resource limits.

In addition to individuals who contribute to OASDI receiving benefits on their own records, some can receive SSI, auxiliary, and/or survivor benefits during their lifetime. Some individuals contribute without anyone ever receiving benefits on their records.

For example, if an OASDI-insured individual passes away without receiving any benefits, and no one else is eligible on his/her record, the Agency will not pay a benefit to anyone, regardless of the individual's contribution to the OASDI Trust Funds.

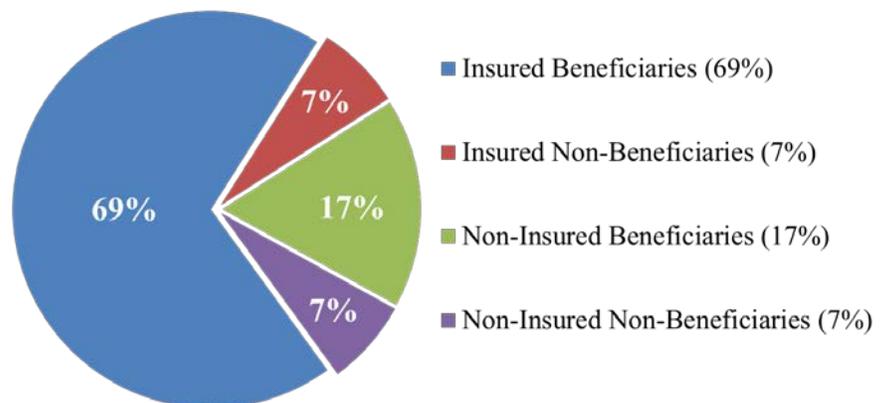
We completed this review to determine the type, and duration, of Social Security benefits paid to individuals, as well as their auxiliaries and survivors, before and after each individual's death. We also determined the characteristics of those paid and those not paid any type of benefit.

### Summary

Based on analysis of 275 individuals in a randomly selected sample of about 2.7 million people with a date of death in Calendar Year 2014, we estimate that

- about 2.3 million individuals received a monthly benefit before death (moreover, 33 percent of the individuals in our sample had at least 1 auxiliary or survivor who received benefits based on their work history); and
- about 2 million individuals had sufficient work activity, or insured status, to receive retirement or disability benefits on their own records as of their date of death.

Once we determined insured status and receipt of benefits for all individuals in our sample, each individual fit into one of four major categories for further analysis.



With respect to the insured non-beneficiaries, we determined there were several reasons that deceased insured individuals in our sample never received benefits. Our analysis indicated that most insured individuals who died without receiving benefits were too young to draw retirement benefits, and their deaths were too sudden to apply for disability.

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## ABBREVIATIONS

CY	Calendar Year
DIB	Disability Insurance Benefits
FICA	<i>Federal Insurance Contributions Act</i>
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
PUPS	Prisoner Update Processing System
QC	Quarter of Coverage
RIB	Retirement Insurance Benefits
SECA	<i>Self-Employment Contributions Act</i>
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

## BACKGROUND

Individuals must meet specific criteria to qualify for Social Security benefits. Qualifications for Old-Age, Survivors and Disability Insurance (OASDI)<sup>1</sup> benefits include, if applicable, age, insured status, relationship, lawful presence, and disability.<sup>2</sup> Supplemental Security Income (SSI) has some of the same requirements but also includes household living arrangements, income, and resource limits.<sup>3</sup> In addition to individuals who contribute to OASDI receiving benefits on their own records, some can receive SSI, auxiliary, and/or survivor benefits during their lifetime.<sup>4</sup> Some individuals contribute without anyone ever receiving benefits on their records.<sup>5</sup> For example, if an OASDI-insured individual passes away without receiving any benefits, and no one else is eligible on his/her record, the Agency will not pay a benefit to anyone, regardless of the individual's contribution to the OASDI Trust Funds.

Eligible individuals can receive Retirement Insurance Benefits (RIB), Disability Insurance Benefits (DIB), auxiliary benefits, survivor benefits, and SSI. The Social Security Administration (SSA) pays RIB, DIB, auxiliary, and survivor benefits from the OASDI Trust Funds and makes SSI payments from general tax funds.<sup>6</sup> To qualify for RIB, individuals must provide proof that they have attained age 62 or older for a full month and have sufficient work history for insured status.<sup>7</sup> To receive DIB, individuals must prove they have a medically determinable physical or mental impairment that prevents them from working at a substantial level and is expected to either last for 12 continuous months or result in their death.<sup>8</sup> Individuals

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<sup>1</sup> OASDI exists as two separate trust funds: the Federal Old-Age and Survivors Insurance Trust Fund and Federal Disability Insurance Trust Fund. While the Trust Funds are separate, the same Board of Trustees reports on them together as OASDI. The benefits, policies, and funding for these programs is commonly called "Title II." SSA, OASDI Board of Trustees, *The 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, June 22, 2016, p. 1.

<sup>2</sup> Cited SSA POMS include age requirements – RS 00201.001 C (October 8, 2003); insured status factors – RS 00301.101 (August 9, 2011); relationship requirements – RS 00202.001 A (March 30, 2016); lawful presence factors – RS 00204.010 B.7 (May 9, 2011); and disability requirements – DI 00115.001 A (October 11, 2012).

<sup>3</sup> Cited SSA POMS include household living arrangement factors – SI 00835.001 A (December 2, 2011) and SI 00520.001 C (December 28, 2009); and income, resources and other requirements – SI 00501.001 B.1 (January 18, 2005).

<sup>4</sup> Cited SSA POMS include auxiliary benefits – GN 00205.130 A (November 10, 2011); survivor benefits – RS 00203.001 A.1 (September 9, 2011) and RS 00207.001 A (December 4, 2014); and SSI payments – SI 00501.001 (January 18, 2005).

<sup>5</sup> SSA, Office of Retirement and Disability Policy, *Who Never Receives Social Security Benefits?*, Social Security Bulletin, Vol. 71, No. 2, 2011, p. 17.

<sup>6</sup> SSA, OASDI Board of Trustees, *The 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, June 22, 2016, pp. 245-247.

<sup>7</sup> SSA, POMS, RS 00201.001. (October 8, 2003). Fully insured status is generally a "1-for-4 rule" requiring one earned for each four Quarters of Coverage (QC) available after age 21. Since the minimum age for RIB is 62 years, this means most retirees must have 40 QCs in their work history to receive RIB. SSA, POMS, RS 00301.101 B.1 (August 9, 2011). See Appendix C for further explanation of insured status provisions.

<sup>8</sup> SSA, POMS, DI 00115.015 A (October 11, 2012).

who receive DIB must also have sufficient and recent work activity for insured status.<sup>9</sup> SSI, auxiliary, and survivor beneficiaries do not need to have insured status based on their own work activity but must meet other requirements, if applicable, such as age, relationship, insured status for another person, income, resources, and living arrangement factors.<sup>10</sup> The exact requirements vary depending on the types of benefits requested, and the individual's circumstances.

Using a sample of 275 individuals who passed away in Calendar Year (CY) 2014, we used the Agency's systems to obtain the type and duration of monthly<sup>11</sup> benefits received, auxiliary/survivor entitlements, dual entitlements, earnings, insured status, and incarcerations. We obtained additional death information, as needed, from the States. We used this information to determine eligibility, entitlement, application for and receipt of benefits, and characteristics of individuals in the sample. We believe our report is useful to the public in its understanding of how their contributions to the OASDI Trust Funds can benefit themselves and family members. In addition, this report will assist the Agency with its understanding of groups of individuals not typically covered in SSA's research. See Appendix A for our scope and methodology.

## BENEFITS AND INSURED STATUS

Based on our sample results, we estimate that, of the approximately 2.7 million individuals whose dates of death were in CY 2014,<sup>12</sup> about 2.3 million received a monthly benefit before their deaths.<sup>13</sup> We also estimate that about 2 million of the approximately 2.7 million individuals who had a date of death in CY 2014 had insured status to receive age-appropriate RIB or DIB as of their date of death.<sup>14</sup>

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<sup>9</sup> SSA, POMS, DI 10105.005 B (May 12, 2009). The "20/40 test" requires the individual to have 20 QCs out of the 40 QCs available in a given timeframe, or approximately 5 years of earnings within the 10 years before the start of their disability. For further explanation of insured status provisions, see Appendix C. SSA, POMS, RS 00301.120 B (August 18, 2004).

<sup>10</sup> Cited SSA POMS include age, relationship, and insured status for another person – RS 00202.001C (March 30, 2016); income, and resource requirements – SI 00501.001 B.1 (January 18, 2005); and household living arrangement factors – SI 00835.001 (December 2, 2011) and SI 00520.001 C (December 28, 2009).

<sup>11</sup> We included only monthly benefits in this review. Some individuals may have received a Lump Sum Death Payment or had it paid on their record to survivors. These one-time payments of \$255 or less were not included in the scope of our review.

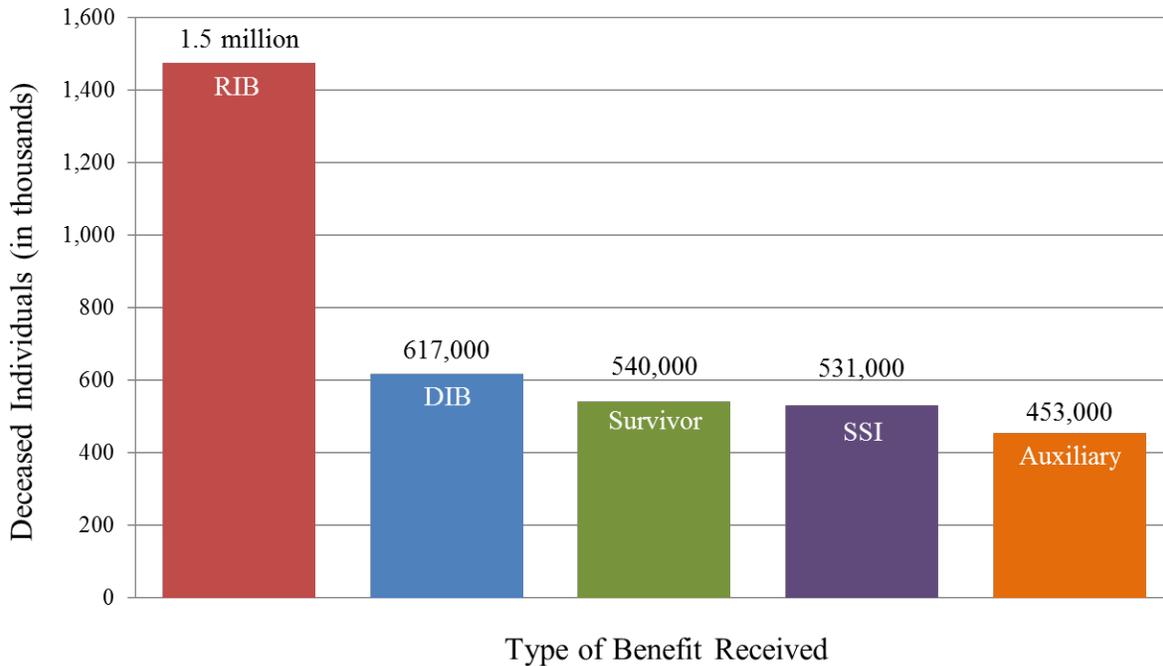
<sup>12</sup> The average age at death was approximately 73 years and ranged from 1 to 106 years.

<sup>13</sup> See Appendix B for our sampling methodology and results.

<sup>14</sup> While about 76 percent of individuals in our sample had insured status as of their date of death, we found that about 95 percent had some work activity on their record. We project that about 2.5 million of the 2.7 million individuals with a date of death in CY 2014 attempted to work at some point in their lifetime. This includes both individuals with covered and non-covered earnings.

Most beneficiaries received RIB (see Figure 1), followed by DIB. Both types of benefits were based on each individual’s own work history. Individuals also received benefits based on someone else’s work history, such as auxiliaries and survivors, while others received SSI payments.

**Figure 1: Types of Benefits Received by Individuals Whose Date of Death Was in CY 2014 (Projected from our Population of Deceased Individuals)**



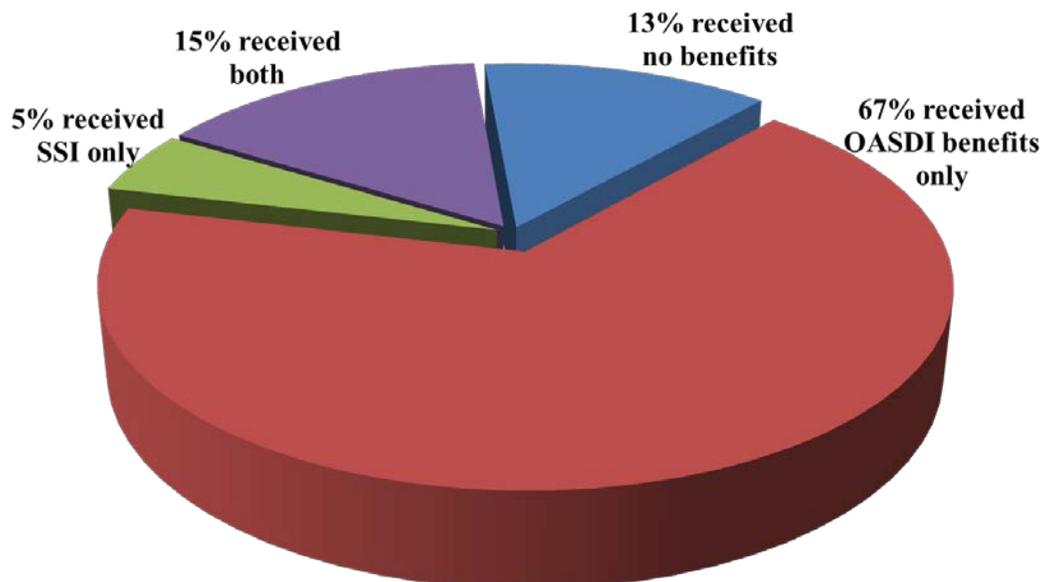
**Note:** These figures will not add to 2.3 million beneficiaries because some individuals received multiple benefits.

Furthermore, 33 percent of the individuals in our sample had at least one auxiliary or survivor receiving benefits based on their work history. For example, some of the individuals in our sample had a family member receiving auxiliary benefits while they were alive. Other individuals had family members receiving survivor benefits after the individual’s death. In some instances, the same family members received both auxiliary and survivor benefits.

As Figure 2 shows, although 20 percent of individuals received SSI payments, most SSI recipients also received OASDI benefits. About 5 percent of sample members received SSI only. Individuals may receive both OASDI and SSI if they meet all requirements for both programs.<sup>15</sup> On average, beneficiaries in our sample received 220 months of OASDI benefits and/or 102 months of SSI payments before their death.

<sup>15</sup> SSA policy counts OASDI benefits as unearned income for the purpose of SSI eligibility. SSA, POMS, SI 00830.210 A.1 (May 15, 2009); SI 00810.001 B.2 (September 26, 2011).

**Figure 2: Receipt of OASDI and SSI by Individuals Whose Date of Death Was in CY 2014**



For example, one individual in our sample received DIB, which changed to RIB when she reached full retirement age. Later, she became entitled to survivor benefits. She received OASDI benefits for 404 months before her death at age 87. In addition to her OASDI benefits, she received SSI payments for 183 months during her lifetime. She was eligible to receive SSI payments because, from 1980 until 1995, her OASDI payments and other household income and resources were low enough for her to qualify for SSI. In 1995, her husband passed away. When she began receiving survivor benefits, her OASDI check was no longer low enough for her to continue receiving SSI.<sup>16</sup>

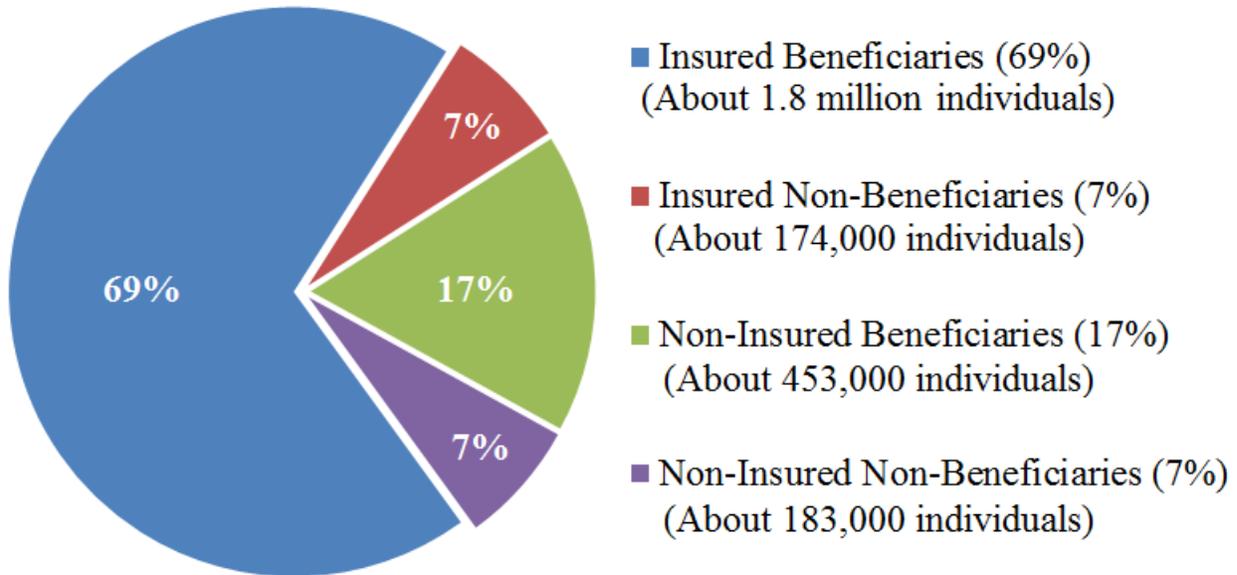
## **BENEFIT AND INSURED STATUS SCENARIOS**

Once we determined insured status and receipt of benefits for the individuals in the sample, we arranged each person into the four groups noted in Figure 3. The largest group of individuals in our sample was insured beneficiaries (69 percent), followed by non-insured beneficiaries (17 percent). Non-beneficiaries, both insured and non-insured, each represented about 7 percent of the individuals.

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<sup>16</sup> SSI is a program of last resort, and SSA policies require that an SSI recipient apply for any other benefits for which the individual is eligible. SSA, POMS, SI 00510.001 B.1 (March 22, 2016).

**Figure 3: Insured Status and Benefit Receipt of Individuals with Date of Death in CY 2014  
(Projected from our Population of Deceased Individuals)**



**Note:** Even though both insured non-beneficiaries and non-insured non-beneficiaries each accounted for about 7 percent of our sample, the non-insured non-beneficiary group had one additional sample member, which resulted in a slightly higher projection for this group. See Table B-6 for projections related to this figure.

For each group, we identified characteristics including age at death, benefit types and duration, existence of a Prisoner Update Processing System (PUPS) record, and work activity.<sup>17</sup> We also looked at individual members within each group to understand unique circumstances. We summarized the findings from the sample as noted in Table 1.

<sup>17</sup> In our sample, there were six Insured Beneficiaries, two Non-Insured Beneficiaries, and one Non-Insured Non-Beneficiary with a PUPS record. PUPS is a system used by the Agency to help identify eligibility to receive benefits and/or serve as a representative payee due to current or prior incarceration. Not all individuals with a PUPS record are automatically ineligible, but we searched PUPS for our sample cases to identify individuals who may have been ineligible for benefits at the time of death. We did not find evidence of a PUPS record for any Insured Non-Beneficiaries.

**Table 1: Summary of Findings from the 275 Case Sample**

Group	Average Age at Death	Age Range	Average OASDI Duration (Months)	Average SSI Duration (Months)	PUPS Records Present	Some Work Activity
Full Sample (275 individuals)	73	1-106	220	102	3%	95%
Insured Beneficiaries (191 individuals)	77	31-102	212	65	3%	100%
Insured Non-Beneficiaries (18 individuals)	51	25-72	N/A	N/A	0%	100%
Non-Insured Beneficiaries (47 individuals)	72	1-106	272	179	4%	72%
Non-Insured Non-Beneficiaries (19 individuals)	49	14-80	N/A	N/A	6%	94%

**Note:** Spaces marked with N/A do not apply to group members in the category in question.

## Insured Beneficiaries

We identified 191 individuals in our sample who were insured beneficiaries. We defined insured beneficiaries as those who had insured status to receive RIB or DIB at the time of death and who received some type of monthly OASDI benefit during their lifetime.<sup>18</sup> Individuals in this group ranged in age from 31- to 102-years-old at death, and their average age at death was 77. Group members received an average of 212 months of OASDI benefits and 65 months of SSI payments, respectively. As noted in Table 2, most insured beneficiaries received RIB during their lifetime, but many received other types of benefits. In addition to the benefits these individuals received, 77 had at least 1 auxiliary or survivor receiving benefits on their record. SSA paid 37 members of the group SSI payments, but 51 individuals applied for SSI.<sup>19</sup>

<sup>18</sup> Some insured individuals chose to receive only auxiliary and/or survivor benefits. Auxiliary and survivor policies have provisions that allow individuals to choose not to file for RIB/DIB, provided they meet the requirements to do so. SSA, POMS, GN 00204.020 (August 26, 2015).

<sup>19</sup> We project that about 492,000 insured beneficiaries attempted to receive SSI before death in CY 2014, and that about 357,000 of these individuals actually received at least 1 month of SSI payments.

**Table 2: Types of Benefits Received by Insured Beneficiaries  
(Projected from our Population of Deceased Individuals)**

Benefit	Insured Individuals Who Received Benefit Type
RIB	1.5 million
DIB	617,000
SSI	357,000
Survivor	299,000
Auxiliary	174,000

**Note:** Some individuals received multiple types of benefits.

Some individuals received only one type of benefit, while others received multiple types of benefits. For example, one individual in our sample received all four types of OASDI benefits (RIB, DIB, auxiliary, and survivor benefits) for a total of 221 months before passing away at age 79. The youngest member of this group was age 31 at death and received only DIB for 16 months; the oldest member was age 102 at death and received only RIB for 470 months.

## Insured Non-Beneficiaries

We identified 18 individuals in our sample who were insured non-beneficiaries. We defined insured non-beneficiaries as those who had insured status to receive RIB or DIB before death but who did not receive benefits during their lifetime. Individuals in this group ranged in age from 25 to 72 at death, and their average age at death was 51. Although these individuals did not directly benefit from SSA programs before their death, eight group members had a survivor receiving benefits on their record after their death. State death records listed 11 individuals as married or divorced on their death certificates, 6 of whom had no one receiving survivor benefits on their records as of March 2016. The death certificates we reviewed did not include information about surviving children.

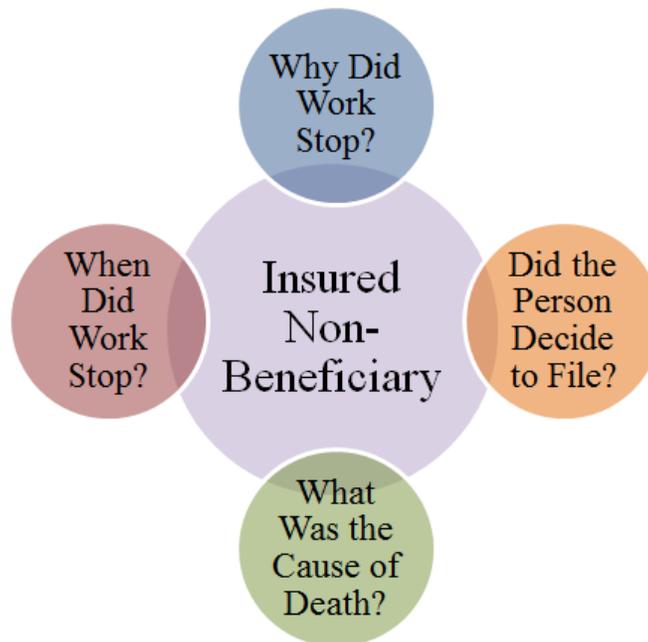
We determined there were several reasons that deceased insured individuals never received benefits. This group's average age at death was much younger than both the early retirement age of 62 years and the test population's average age at death of 74. Our review of the State death records found that only half these individuals had a cause of death with a prolonged onset that may have allowed time to file for DIB, while the others had unknown onset or sudden causes of death.<sup>20</sup> For example, one individual in our sample passed away in a motor vehicle accident. We also found that 14 of these individuals had work activity in the same year as their death. These details suggest that most insured individuals who died without receiving benefits were too young to draw retirement benefits, and their deaths were too sudden for them to apply for disability.

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<sup>20</sup> We obtained two death certificates from the State of New York that did not list a cause of death but listed a manner of death. We also obtained two death certificates from the State of Tennessee that lacked both cause and manner of death. Based on additional research of these four individuals, we concluded that one person's death was not sudden, and the other three individuals' causes of death were unknown.

We also found that one individual in this group applied for, and was denied, DIB and SSI for a physical medical condition. He then passed away because of a mental health condition that he did not disclose in his application. Another point to consider is that individuals must choose to file for benefits and may choose not to do so for personal reasons. Figure 4 notes several factors that probably contributed to insured individuals not receiving benefits before their death in CY 2014.

**Figure 4: Decision Factors for Insured Non-Beneficiaries**



**Note:** Each factor also depends on the individual's age at death.

We found four members in this group who were old enough to receive retirement benefits, ranging in age from 62 to 72, who may have decided not to apply for Social Security benefits. Two of these individuals worked in the same year as their deaths, so they may have chosen to work rather than receive benefits. The other two individuals stopped working at least 5 years before their deaths. Three of the four individuals were younger than their full retirement age and may have been waiting to draw a higher monthly benefit. Any of these individuals may have had other types of income outside the Agency's knowledge, such as veterans' benefits, private pensions, private savings, support from others, and/or annuities.

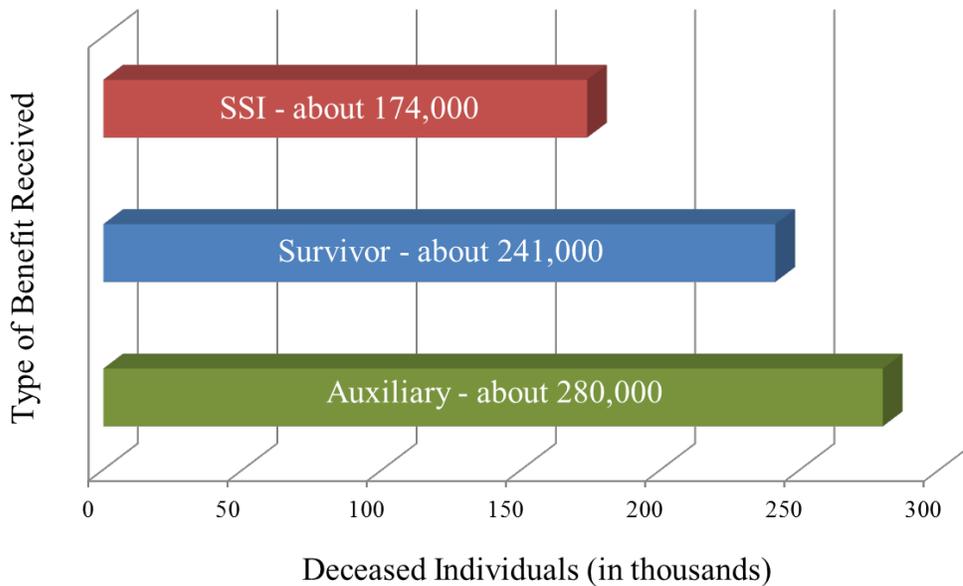
## Non-Insured Beneficiaries

We identified 47 individuals in our sample who were non-insured beneficiaries. We defined non-insured beneficiaries as those who received monthly benefits under one of SSA's programs

but did not have adequate covered earnings<sup>21</sup> to receive RIB or DIB on their own record.<sup>22</sup> This included individuals who received SSI payments and those who received auxiliary and/or survivor benefits based on another person’s earnings record. Individuals in this group ranged in age from 1 to 106 at death, and their average age at death was 72. Group members received an average of 272 months of OASDI benefits and 179 months of SSI payments. As noted in Figure 5, most non-insured beneficiaries received auxiliary benefits during their lifetime, but many individuals received other types of benefits.

For example, one member of this group received auxiliary and survivor benefits for a combined total of 501 months before her death at age 106 but never filed for SSI and never had covered earnings. She was the oldest member and received benefits for the longest amount of time in our sample. Another group member received survivor benefits for 259 months and received SSI payments for 156 months before his death at age 62. A third member received only SSI for 424 months before his death at age 58.

**Figure 5: Types of Benefits Received by Non-Insured Beneficiaries (Projected from our Population of Deceased Individuals)**



**Note:** Some individuals in this group received more than one type of benefit.

<sup>21</sup> An individual may have covered earnings based on tax withheld from income for contributions to OASDI Trust Funds. *Federal Insurance Contributions Act of 1935*, 26 U.S.C. 3101 (1935) and *Self-Employment Contributions Act of 1954*, 26 U.S.C. 1401 et seq. (1954). We discuss *Federal Insurance Contributions Act* and *Self-Employment Contributions Act* contributions in Appendix C.

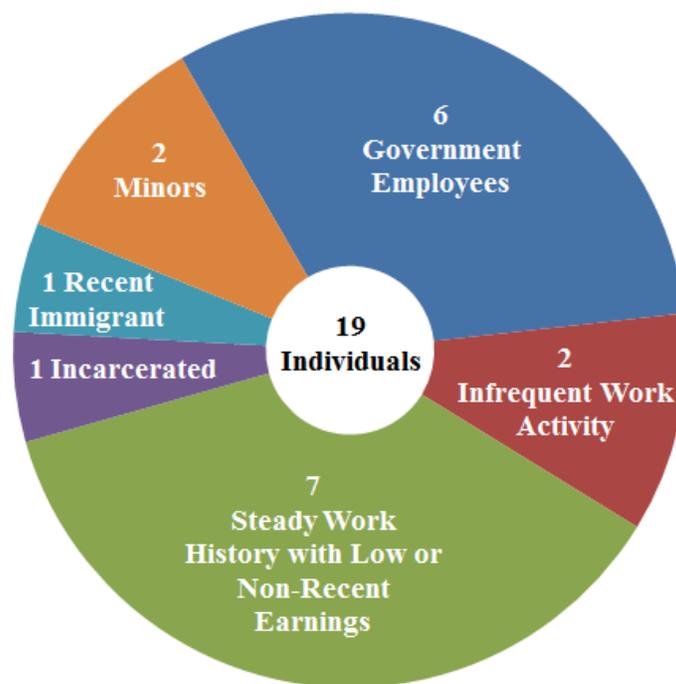
<sup>22</sup> Although these individuals did not have insured status to receive RIB/DIB on their own records, it is possible for those who passed away before attaining age 62 to have insured status for survivors. In fact, one member of this group had a survivor receiving benefits on his record, even though he was unable to draw benefits on his own record.

Although 34 of these individuals performed some work during their lifetime, none had insured status for RIB or DIB as of their date of death. This work may have included both covered and non-covered work activity.

## Non-Insured Non-Beneficiaries

The final 19 individuals in our sample did not receive any benefits under SSA programs and did not have sufficient covered work activity to have insured status at the time of death.<sup>23</sup> Individuals in this group ranged in age from 14 to 80 at death, and the average age at death was 49. There was one person in this group whose PUPS record suggested he was incarcerated at the time of his death. About 42 percent of individuals in this group had at least one application filed on their OASDI record, and about 11 percent attempted to receive SSI.

**Figure 6: 19 Sample Members Who Were Non-Insured Non-Beneficiaries**



We found that 18 of the 19 members of this group were born in the United States, and all resided in the United States at the time of their death. Although these individuals did not have sufficient covered work activity to qualify for OASDI benefits, all but those who were minors had some work activity on their earnings record. As noted in Figure 6, six group members were employees of a Federal, State, county, or local government agency. These individuals did not have insured

<sup>23</sup> Five members of this group have survivors receiving benefits on their record, even though they were unable to draw benefits on their own record. We discussed this possibility in a prior footnote in the Non-Insured Beneficiaries section of the report. See Appendix C for further discussion of insured status provisions.

status for Social Security benefits because they were exempt from paying Social Security taxes and paid into a pension system instead. Apart from the government employees, minors, and the incarcerated individual, we found nine individuals in the group who worked and paid Social Security taxes during their lifetime. When we looked closer at these individuals, we were able to break them into two more categories. Seven individuals had steady work histories, but either their income was too low to earn insured status or the work activity was too far in the past to qualify for DIB.<sup>24</sup> The final two individuals had infrequent work activity.<sup>25</sup>

## SUMMARY

Based on analysis of 275 individuals in a randomly selected sample of about 2.7 million people with a date of death in Calendar Year 2014, we estimate that about 2.3 million individuals received a monthly benefit from SSA before death. Furthermore, 33 percent of the individuals in our sample had at least 1 auxiliary or survivor receive benefits based on their work history. We also found that about 2 million individuals had sufficient work activity, or insured status, to receive retirement or disability benefits on their own records as of their date of death.

We also discussed a variety of scenarios, including insured and non-insured individuals who may or may not have received Agency benefits. For instance, with respect to the insured non-beneficiaries, we determined there were several reasons that deceased insured individuals in our sample never received benefits. Our analysis indicated that most insured individuals who died without receiving benefits were too young to draw retirement benefits, and their deaths were too sudden to apply for disability.



Rona Lawson  
Assistant Inspector General for Audit

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<sup>24</sup> Individuals with steady work histories had earnings in 5 or more consecutive years, or had insured status for DIB at one point in their lifetime, but did not have insured status for DIB as of their date of death.

<sup>25</sup> Individuals with infrequent work activity had short periods of work with long breaks between work periods and therefore never had insured status to receive DIB at any point in their lifetime.

# *APPENDICES*

## Appendix A – SCOPE AND METHODOLOGY

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To complete our review, we:

- Reviewed prior reports published by the Social Security Administration (SSA), Office of the Inspector General, and Government Accountability Office.
- Researched SSA policies and procedures applicable to our review.
- Interviewed SSA staff to determine whether other research had been done in this area and to discuss our methodology.
- Obtained a data set with 2,652,811 individuals with a date of death in Calendar Year (CY) 2014 per SSA's Numident<sup>1</sup> file.
- Verified the completeness of the test population by comparing it to data the Central Intelligence Agency<sup>2</sup> and Centers for Disease Control<sup>3</sup> published.
- Tested the data for validity and accuracy and generated a simple random sample of 275 individuals (see Appendix B).
- Reviewed Agency systems through March 2016 to record several pieces of information. For each sample item, we determined the type and duration of benefits received on each Master Beneficiary and/or Supplemental Security Record, work history from the Summary Earnings Query, incarceration activity from the Prisoner Update Processing System, appointments scheduled in the future for survivor claims from the Agency's appointment system, and insured status by comparing insured status policies to the Summary Earnings Query.
- Obtained full State death record information on sample members who never received benefits in their lifetime but had work activity that may have resulted in insured status.
- Analyzed the information to make projections or perform descriptive analysis on the population of individuals with dates of death in CY 2014, and summarized findings.

We conducted our review from January through May 2016 in Chicago, Illinois. We found that information obtained from the Agency's systems and the related data were sufficiently reliable to meet our objective. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

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<sup>1</sup> A Numident is a record of the information taken from an individual's application for an original Social Security number and applications for replacement Social Security cards. The query can also include information about death.

<sup>2</sup> Central Intelligence Agency, *North America: United States, The World Factbook* (as of March 2, 2016).

<sup>3</sup> Centers for Disease Control, *Mortality in the United States, 2014* (NCHS Data Brief No. 229), December 2015.

## Appendix B – SAMPLING METHODOLOGY AND RESULTS

From the Social Security Administration’s (SSA) Numident system, we obtained the records of 2,652,811 individuals with a date of death in Calendar Year (CY) 2014 according to Agency records. Our sample consisted of 275 individuals (See Table B–1) from our population. We chose CY 2014 to allow time for late death reports. The benefit types reviewed were Retirement Insurance Benefits (RIB), Disability Insurance Benefits (DIB), auxiliary benefits, survivor benefits, and Supplemental Security Income (SSI).

**Table B–1: Population and Sample Size**

Description	Size
Individuals with CY 2014 Date of Death on the Numident Record	2,652,811
Sample	275

**Table B–2: SSA Benefits Received by Deceased Individuals Prior to Death**

Description	Size
Sample Results	238
Point Estimate	2,295,887
Projection – Lower Limit	2,193,422
Projection – Upper Limit	2,382,346

**Note:** All statistical projections are at the 90-percent confidence level.

**Table B–3: Types of Benefits Received by Deceased Individuals**

Description	Size				
	DIB	RIB	Auxiliary	Survivor	SSI
Sample Results	64	153	47	56	55
Point Estimate	617,381	1,475,928	453,390	540,209	530,562
Projection – Lower Limit	507,486	1,339,649	356,916	436,114	427,283
Projection – Upper Limit	738,845	1,609,785	564,194	657,132	646,862

**Note:** Some received multiple benefits. All statistical projections are at the 90-percent confidence level.

**Table B–4: Deceased Individuals with Insured Status at Death**

Description	Size
Sample Results	209
Point Estimate	2,016,136
Projection – Lower Limit	1,893,655
Projection – Upper Limit	2,127,371

**Note:** All statistical projections are at the 90-percent confidence level.

**Table B–5: Work Attempts by Deceased Individuals Before Death**

Description	Size
Sample Results	260
Point Estimate	2,508,112
Projection – Lower Limit	2,433,296
Projection – Upper Limit	2,562,827

**Note:** All statistical projections are at the 90-percent confidence level.

**Table B–6: Four Categories of Deceased Individuals**

Description	Size			
	Insured Beneficiaries	Insured Non-Beneficiaries	Non-Insured Beneficiaries	Non-Insured Non-Beneficiaries
Sample Results	191	18	47	19
Point Estimate	1,842,498	173,639	453,390	183,285
Projection – Lower Limit	1,712,696	113,356	356,916	121,270
Projection – Upper Limit	1,963,914	253,391	564,194	264,569

**Note:** All statistical projections are at the 90-percent confidence level.

**Table B–7: Attempts to Receive SSI by Deceased Individuals Before Death**

Description	Size	
	Insured Beneficiaries	Non-Insured Beneficiaries
Sample Results	51	18
Point Estimate	491,976	173,639
Projection – Lower Limit	391,982	113,356
Projection – Upper Limit	605,644	253,391

**Note:** All statistical projections are at the 90-percent confidence level.

**Table B–8: Types of Benefits Received by Insured Beneficiaries**

Description	Size				
	DIB	RIB	Auxiliary	Survivor	SSI
Sample Results	64	153	18	31	37
Point Estimate	617,381	1,475,928	173,639	299,044	356,924
Projection – Lower Limit	507,486	1,339,649	113,356	219,614	270,466
Projection – Upper Limit	738,845	1,609,785	253,391	395,518	459,388

**Note:** All statistical projections are at the 90-percent confidence level.

**Table B-9: Types of Benefits Received by Non-Insured Beneficiaries**

Description	Size		
	Auxiliary	Survivor	SSI
Sample Results	29	25	18
Point Estimate	279,751	241,165	173,639
Projection – Lower Limit	202,874	169,767	113,356
Projection – Upper Limit	374,026	330,684	253,391

**Note:** All statistical projections are at the 90-percent confidence level.

## Appendix C – INSURED STATUS PROVISIONS

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An individual must meet insured status to establish entitlement to any type of Social Security Administration (SSA) benefit based on his/her earnings record. To meet insured status, the individual must earn the required number of earnings credits, called quarters of coverage (QC), based on his/her earnings record. In 2016, for example, one QC is credited for every \$1,260 in covered earnings, up to a maximum of four. For some benefits, the individual must earn the QCs within a specific timeframe.

Requirements for insured status differ depending on the type of benefit the individual is requesting.<sup>1</sup> Our review focused on determining whether individuals had insured status to receive retirement or disability on their own records as of their dates of death. To qualify for retirement or disability, individuals must have sufficient work history for insured status.<sup>2</sup> Individuals who receive disability must also have recent work activity for insured status.<sup>3</sup> In unique circumstances, there may be additional provisions or exceptions for insured status based on age, type of disability, prior disability, or immigration status.<sup>4</sup>

The type of work a person does may also affect his/her insured status for benefits. To qualify for QCs for retirement or disability benefits, the individual must not only work, but the work must be covered by the *Federal Insurance Contributions Act (FICA)* and/or the *Self-Employment Contributions Act (SECA)*.<sup>5</sup> FICA is a type of tax paid on earnings toward Medicare and Social Security. Workers who are exempt from paying the Social Security portion of this tax do not qualify for benefits based on non-covered work.<sup>6</sup> Such workers can include certain government employees who typically receive pensions instead of Social Security benefits for their work activity, such as teachers, police officers, and firefighters. Self-employed individuals pay SECA, which is a tax similar to FICA. These individuals do not have employers matching their contribution to Medicare or Social Security, so they pay both employee and employer portions of the tax to receive QCs for Social Security insured status.<sup>7</sup>

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<sup>1</sup> SSA, POMS, RS 00301.101 A.1 (August 9, 2011).

<sup>2</sup> SSA, POMS, RS 00201.001 (October 8, 2003). Fully insured status is generally a “1-for-4 rule” requiring one earned for each four QCs available after age 21. Since the minimum age for Retirement Insurance Benefits (RIB) is 62, this means most retirees must have 40 QCs in their work history to receive RIB. SSA, POMS, RS 00301.101 B.1 (August 9, 2011).

<sup>3</sup> SSA, POMS, DI 10105.005 B (May 12, 2009). The “20/40 test” requires that the individual have 20 QCs of the 40 QCs available in a given timeframe, or approximately 5 years of earnings within the 10 years before the start of their disability. SSA, POMS, RS 00301.120 B (August 18, 2004).

<sup>4</sup> Cited SSA POMS include age requirements – RS 00301.140 (October 29, 2007); provisions depending on type of disability – RS 00301.150 (July 7, 2014); prior disability factors – RS 00301.147 (August 18, 2004); and provisions regarding immigration status – RS 00301.102 (August 31, 2012).

<sup>5</sup> SSA, POMS, RS 01801.020 (April 2, 2001).

<sup>6</sup> SSA, POMS, RS 01901.420 (May 12, 2008).

<sup>7</sup> SSA, *If You Are Self-Employed*, SSA Publication No. 05-10022, June 2016.

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