



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Audit Report*

Accuracy of Month of Entitlement  
Determinations for Supplemental  
Security Income Recipients Awarded  
Old-Age, Survivors and Disability  
Insurance Benefits

*A-08-18-50582 | July 2018*



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

**MEMORANDUM**

**Date:** July 27, 2018

**Refer To:**

**To:** The Commissioner

**From:** Acting Inspector General

**Subject:** Accuracy of Month of Entitlement Determinations for Supplemental Security Income Recipients Awarded Old-Age, Survivors and Disability Insurance Benefits (A-08-18-50582)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration established the correct month of entitlement when it awarded Supplemental Security Income recipients Old-Age, Survivors and Disability Insurance benefits.

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

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

# Accuracy of Month of Entitlement Determinations for Supplemental Security Income Recipients Awarded Old-Age, Survivors and Disability Insurance Benefits

## A-08-18-50582



July 2018

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) established the correct month of entitlement (MOE) when it awarded Supplemental Security Income (SSI) recipients Old-Age, Survivors and Disability Insurance (OASDI) benefits.

### Background

An OASDI beneficiary's MOE is the first month he/she became entitled to benefits. The MOE may be the month the claimant submitted his/her application or the month(s) before or after the application. The MOE may affect an individual's OASDI benefit rate for the rest of his/her life.

The MOE may also affect SSI payments and eligibility. SSA requires that SSI recipients file for all other benefits in the earliest month possible. However, technicians must manually review a variety of factors to determine the earliest MOE.

From a population of 162,012 SSI recipients who submitted OASDI claims in Calendar Year (CY) 2016, we reviewed a random sample of 200 recipients. In addition, we interviewed SSA personnel to better understand the issues technicians may experience when they make MOE determinations.

### Findings

SSA technicians had not established the correct MOE in about 23 percent of the OASDI benefit awards to SSI recipients we reviewed. The incorrect MOEs affected both OASDI and SSI program funds. However, the incorrect program distributions partially offset each other in the form of over- and underpayments. We estimated SSA incorrectly issued over \$359 million from OASDI program funds and over \$228 million from SSI program funds to the beneficiaries in our population. After offsetting the incorrect OASDI and SSI program funds, we estimated the resulting financial impact to beneficiaries was over \$135 million.

While the causes of inaccurate MOEs varied, almost all involved SSA technicians making incorrect filing date determinations. According to technicians with whom we spoke, inaccurate MOE determinations resulted from insufficient systems controls, the complexity of SSA's policies and procedures, and inadequate training. In addition, SSA personnel cited time constraints and limited field office resources as factors that hindered technicians' ability to establish the correct MOE.

To improve the accuracy of OASDI MOE determinations, SSA should develop systems controls, clarify its policies and procedures, and provide additional training. Given the number of OASDI awards and significant amount of incorrect program funds and improper payments to beneficiaries, SSA should also evaluate the cost effectiveness of reviewing and correcting prior OASDI MOE determinations.

### Recommendations

We made four recommendations to improve the accuracy of SSA's OASDI MOE determinations for SSI recipients.

SSA agreed with our recommendations.

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## **ABBREVIATIONS**

CY	Calendar Year
MOE	Month of Entitlement
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
OQP	Office of Quality Performance
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

## OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) established the correct month of entitlement (MOE) when it awarded Supplemental Security Income (SSI) recipients Old-Age, Survivors and Disability Insurance (OASDI) benefits.

## BACKGROUND

OASDI programs provide monthly benefits to replace some of the income a worker or his/her family loses due to retirement, death, or disability.<sup>1</sup> An OASDI beneficiary's MOE is the first month he/she became entitled to benefits. The MOE may be the month the claimant submitted his/her application or the month(s) before or after the application. To determine the MOE, SSA technicians must consider filing dates,<sup>2</sup> OASDI factors of entitlement, disability onset dates, and retroactivity rules. Because SSA adjusts some OASDI benefits based on the claimant's age, the MOE may affect an individual's OASDI benefit rate for the remainder of his/her life.

The SSI program provides monthly payments to individuals with limited income and resources who are age 65 or older, blind, or disabled.<sup>3</sup> Accordingly, the MOE may effect a beneficiary's SSI payments and eligibility. However, because SSI is a program of last resort, SSA requires that SSI recipients file for OASDI benefits in the earliest month possible.<sup>4</sup> SSA technicians must manually review a variety of factors to determine the earliest MOE.<sup>5</sup> Prior SSA and OIG reviews have identified concerns with the accuracy of OASDI MOE determinations.<sup>6</sup>

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<sup>1</sup> *Social Security Act*, 42 U.S.C. §§ 402 and 423 (2015).

<sup>2</sup> SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.010, sec. A.1 (February 21, 2018). A protective filing is a written statement of intent to file for Title II, VII, or XVI benefits. SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.007, sec. A.1 (January 04, 2017). The application filing date is the earlier of the date SSA received an application or the protective filing date. However, we use the term filing date to refer to both the protective filing and the application filing date in this report.

<sup>3</sup> *Social Security Act*, 42 U.S.C. §§ 1382 (2013).

<sup>4</sup> SSA, *POMS, SI-Supplemental Security Income*, ch. SI 005, subch. SI 00510.001, sec. D.1 (March 22, 2016).

<sup>5</sup> See Appendix C for more information about factors that SSA technicians must consider to make MOE determinations for SSI recipients.

<sup>6</sup> SSA, Office of Quality Performance, *Analysis of Protective Filings and Open Applications in OQP Reviews* (May 2010); SSA, OIG, *The Social Security Administration's Manual Award Process for Initial Retirement and Survivors Insurance Claims*, A-08-16-50053, (September 2017); and SSA, OIG, *Widow(er)s Eligible for an Earlier Initial Month of Entitlement*, A-09-17-50187 (August 2017).

From a population of 162,012 SSI recipients who submitted OASDI applications in Calendar Year (CY) 2016,<sup>7</sup> we reviewed a random sample of 200 recipients to determine whether SSA established the correct MOE when it awarded OASDI benefits. If we determined SSA technicians had established an incorrect MOE, we calculated the improper OASDI and SSI<sup>8</sup> program funds that SSA issued and the resulting financial impact to the beneficiary. In addition, we interviewed SSA personnel to better understand the issues technicians may experience when they make MOE determinations. See Appendix A for additional information about our scope and methodology.

## RESULTS OF REVIEW

SSA technicians had not established the correct MOE in about 23 percent of the OASDI benefit awards to SSI recipients we reviewed. The incorrect MOEs affected both OASDI and SSI program funds. However, the incorrect program distributions partially offset each other in the form of over- and underpayments. We estimated SSA incorrectly issued over \$359 million from OASDI program funds and over \$228 million from SSI program funds to the beneficiaries in our population. After offsetting the incorrect OASDI and SSI program funds, we estimated the resulting financial impact to beneficiaries was over \$135 million.<sup>9</sup>

While the causes of inaccurate MOEs varied, almost all involved SSA technicians making incorrect filing date determinations. According to technicians with whom we spoke, inaccurate MOE determinations resulted from insufficient systems controls, the complexity of SSA's policies and procedures, and inadequate training. In addition, SSA personnel cited time constraints and limited field office resources as factors that hindered technicians' ability to establish the correct MOE.

To improve the accuracy of OASDI MOE determinations, SSA should develop systems controls, clarify its policies and procedures, and provide additional training. Given the number of OASDI awards and significant amount of incorrect program funds and improper payments to beneficiaries, SSA should also evaluate the cost-effectiveness of reviewing and correcting prior OASDI MOE determinations.

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<sup>7</sup> SSA awarded OASDI benefits to all 162,012 beneficiaries in our population. However, SSA did not process some of the awards until CY 2017.

<sup>8</sup> We included Federal and federally administered State supplement payments in our computations of improper SSI program funds.

<sup>9</sup> The difference between the incorrect \$359 million in OASDI program funds and the \$228 million in SSI program funds does not equal the \$135 million financial impact to the beneficiaries. We derived the \$135 million from the \$3,541,623 overpayments to beneficiaries shown in Table B-4, the \$132,169,341 underpayments to beneficiaries shown in Table B-5, and the actual \$1,392 underpayment to one beneficiary discussed in Footnote 11.

## OASDI and SSI Program Funds

SSA technicians had not established the correct MOE in 45 (about 23 percent) of the 200 OASDI benefit awards we reviewed. Because the OASDI beneficiaries in our population were also receiving SSI, the incorrect MOE affected funds from both OASDI and SSI programs. However, the OASDI program over- or underpayment partially offset the corresponding SSI program over- or underpayment.<sup>10</sup> As shown in Table 1, 37 of the 44 beneficiaries in our sample with incorrect MOEs had OASDI program underpayments and SSI program overpayments.<sup>11</sup>

**Table 1: Incorrect OASDI and SSI Program Funds Issued to Sampled Beneficiaries**

Program Funds	Program Overpayments	Number of Beneficiaries with Program Overpayments	Program Underpayments	Number of Beneficiaries with Program Underpayments	Total Incorrect Program Payments
OASDI	\$22,498	7	\$421,201	37	\$443,699
SSI	261,137	37	21,222	7	282,359
<b>Total</b>	<b>\$283,635</b>	<b>44</b>	<b>\$442,423</b>	<b>44</b>	<b>\$726,058</b>

**Source:** OIG Analysis of Sampled Beneficiaries.

**Note:** Table does not include one sampled beneficiary who had both OASDI and SSI underpayments. See Footnote 11.

Based on our sample results, we estimated SSA incorrectly issued over \$359 million from OASDI program funds<sup>12</sup> and over \$228 million from SSI program funds.<sup>13</sup> However, our estimated dollar findings are conservative because we could not identify all the SSI recipients who filed OASDI applications in CY 2016 and excluded beneficiaries in another OIG audit population.<sup>14</sup> In addition, SSA had insufficient information to determine the earliest MOE for

<sup>10</sup> SSA, *POMS, GN-General*, ch. GN 026, subch. GN 02610.005, sec. A (April 25, 2012). If SSA makes SSI payments to an individual and later determines that he/she was entitled to retroactive OASDI payments for the same period, SSA reduces the retroactive OASDI benefits by the amount of SSI payments he/she would not have received if SSA paid the OASDI benefits in the month they were due. This provision prevents windfall payments to individuals entitled to receive OASDI and SSI benefits for the same period.

<sup>11</sup> One beneficiary in our sample had both OASDI and SSI program underpayments totaling \$1,392 because the OASDI MOE change allowed the beneficiary to continue to receive SSI payments that SSA had previously terminated. As such, we did not include the incorrect program funds or financial impact to this beneficiary in our computations.

<sup>12</sup> See Table B-2.

<sup>13</sup> See Table B-3.

<sup>14</sup> We could not identify all beneficiaries who met our audit selection criteria because of record layout issues. We also only identified beneficiaries who were in current pay status as of August 2017. In addition, we excluded 771 OASDI beneficiaries identified in another ongoing OIG audit.

one of the sampled beneficiaries.<sup>15</sup> Further, over the next 12 months, we estimated SSA will incorrectly issue more than \$8 million in additional OASDI program funds<sup>16</sup> and more than \$2 million in SSI program funds<sup>17</sup> if it does not correct the OASDI MOE for the beneficiaries in our population. See Appendix B for additional information regarding the estimated incorrect program funds in our population.

## Financial Impact to Beneficiaries

After offsetting the OASDI and SSI program funds, we estimated the financial impact to beneficiaries was over \$135 million, as shown in Table 2.<sup>18</sup> SSA assessed overpayments to 15 of the 44 beneficiaries with incorrect MOE determinations. However, SSA underpaid 29 of the 44 beneficiaries with incorrect OASDI MOEs. See Appendix B for additional information regarding the estimated financial impact to the beneficiaries in our population.

**Table 2: Financial Impact to Beneficiaries Resulting from Incorrect MOEs**

Type of Improper Payment	Financial Impact to Beneficiaries in Sample	Sampled Beneficiaries with Payment Errors	Estimated Financial Impact to Beneficiaries in Population
Overpayment	\$4,372	15	\$3,541,623
Underpayment	163,160	29	132,169,341
<b>Total</b>	<b>\$167,532</b>	<b>44</b>	<b>\$135,710,964</b>

**Source:** OIG Analysis of Sampled Beneficiaries.

**Note:** We did not include one sampled beneficiary in this table who had both OASDI and SSI program underpayments. See Footnote 11.

The improper payments to our sampled beneficiaries varied greatly. For example, while the largest financial impact to a beneficiary in our sample was over \$63,000, the average was about \$3,700. We attributed this variance, in part, to the range of OASDI benefit amounts and number of months between the established MOE and the correct MOE. The following examples illustrate some of the diverse improper payments we identified.

<sup>15</sup> Neither we nor SSA could determine whether the Agency properly paid OASDI benefits because the beneficiary would not provide additional information. Although SSA suspended the beneficiary’s payments, we did not attribute any incorrect payments to this beneficiary.

<sup>16</sup> See Table B–6.

<sup>17</sup> See Table B–7.

<sup>18</sup> We added the point estimates in Table B–4 and Table B–5 to compute the \$135 million. In addition, SSA will improperly overpay four beneficiaries in our sample \$6,900 over the next 12 months if it does not correct their OASDI MOEs.

- SSA awarded a disabled widow \$540 in monthly OASDI benefits effective January 2008. However, the beneficiary's correct MOE was September 2010. The incorrect MOE resulted in a \$17,931 OASDI program overpayment and a \$17,003 SSI program underpayment. The beneficiary owed SSA \$928 after the combined OASDI and SSI corrections.
- SSA awarded a spouse \$175 in monthly OASDI benefits effective March 2016. However, the beneficiary's correct MOE was October 2006. The incorrect MOE resulted in an \$18,380 OASDI program underpayment and a \$16,193 SSI program overpayment. SSA owed the beneficiary \$2,187 after the OASDI and SSI corrections.
- SSA awarded a widow \$1,211 in monthly OASDI benefits effective May 2015. However, the beneficiary's correct MOE was February 2004. The incorrect MOE resulted in a \$101,320 OASDI program underpayment and a \$38,054 SSI program overpayment from the date of the award through July 2018. SSA owed the beneficiary \$63,266 after the OASDI and SSI corrections. Because the benefits were subject to age reductions, the MOE change reduced the beneficiary's monthly OASDI payment. Therefore, SSA will continue making improper payments to this beneficiary until it corrects the MOE.

## Causes of Incorrect MOEs

While the causes of incorrect MOE determinations varied, 43 of the 45 beneficiaries with incorrect MOE determinations involved SSA technicians making inaccurate filing date determinations. SSA has some systems controls in place to identify filing dates from 800-number screens and Internet claims, but filing date determinations are primarily a manual process. Yet, a correct filing date is an important part of the MOE determination process because a beneficiary can only receive benefits as of his/her filing date unless allowed under OASDI retroactivity rules.<sup>19</sup> All but one of the incorrect MOE causes<sup>20</sup> in Table 3 involved SSA technicians' inaccurate filing date determinations. See Appendix C for a more detailed description of the causes of the incorrect MOE determinations.

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<sup>19</sup> The retroactive life of an application is the earliest date in which a claimant is eligible to receive OASDI benefits. The number of retroactive months SSA allows depends on the type of benefit and whether SSA reduces the payment based on the claimant's age. SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.030, sec. A (February 26, 2018).

<sup>20</sup> For the retroactivity cases in Table 3, SSA technicians identified the correct filing date but did not award the beneficiary the earliest MOE allowed under OASDI retroactivity rules.

**Table 3: Causes of Incorrect MOE Determinations**

Causes of Incorrect MOEs	Number of Sampled Beneficiaries	Percent of Total Incorrect MOEs
Open Application	16	35
Reopening	8	18
Redetermination	7	16
Invalid Filing Date	7	16
Open Protective Writing	5	11
Retroactivity	2	4
<b>Total</b>	<b>45</b>	<b>100</b>

**Source:** OIG Analysis of Sampled Awards

To understand issues field office technicians may experience when they make MOE determinations, we interviewed staff in five different SSA regions. While we acknowledge the responses to our interview questions may not represent all field office employees, many employees we interviewed expressed similar concerns. The factors SSA employees attributed to incorrect MOE determinations included insufficient systems controls, the complexity of SSA’s policy and procedures, and inadequate training. SSA technicians also indicated that researching MOE determinations is difficult given the limited staffing and volume of field office work. SSA Headquarters staff also stated “MOE determinations can be challenging with the limited resources and time our technicians have to assess and evaluate evidence they need to make a proper decision.”

## Opportunities to Improve MOE Accuracy

Because most of the inaccurate MOEs we identified involved SSA technicians making incorrect filing date determinations, increasing systems controls over the filing date could improve the accuracy of MOE determinations. Technicians we interviewed suggested integrating the OASDI and SSI claims systems to identify filing dates from the SSI record when processing OASDI awards. SSA acknowledged its systems were outdated, and it had begun a multi-year IT Modernization initiative with goals that included integrating its systems and reducing improper payments.<sup>21</sup> Therefore, we encourage SSA to incorporate steps to automate filing date determinations into its IT Modernization initiative.

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<sup>21</sup> SSA, *IT Modernization Plan: A Business and IT Journey* (October 2017).

SSA also had opportunities to improve the accuracy of OASDI MOE determinations for SSI recipients by clarifying its complex procedures. For example, SSA could revise its Program Operations Manual System to provide sequential steps for establishing the correct filing date (similar to instructions in SSA's *Special Disability Workload Processing Guide*). In addition, several employees we interviewed indicated it would help the accuracy of MOE determinations if SSA created a decision tree to assist in making the determination. While SSA acknowledged it could improve and simplify the MOE determination process, it did not have specific initiatives to address the issue.

Several employees we interviewed indicated they did not have adequate training to prepare them to make OASDI MOE determinations for SSI recipients. We reviewed the Title II Claims Specialist training curriculum and did not identify any sections that specifically addressed MOE determinations for SSI recipients. As such, most of the employees we interviewed stated additional MOE training would be beneficial. Specifically, they requested training examples and scenarios of complex or error-prone MOE issues.

Given the large number of OASDI awards and significant amount of improper program funds and payments to beneficiaries, SSA should take steps to correct MOE determinations on prior OASDI awards to SSI recipients. The steps to improve MOE accuracy discussed above would enhance the accuracy of future OASDI MOE determinations for SSI recipients but would not address prior incorrect MOE determinations. Yet, without corrective action, beneficiaries for whom SSA established an incorrect MOE (in our CY 2016 population and prior years) will not receive their proper retroactive benefit adjustments. In addition, some beneficiaries will continue receiving improper monthly payments if SSA does not take action to correct their MOEs.<sup>22</sup> Although we did not attempt to estimate administrative costs, we acknowledge that correcting the OASDI MOEs on prior awards will require significant resources. However, we encourage the Agency to review and correct MOE determinations on existing records. For example, SSA could create a special cadre to review and correct MOE determinations on prior OASDI awards to SSI recipients.

## CONCLUSIONS

We estimated that SSA technicians made incorrect MOE determinations in about one-quarter of the OASDI benefit awards to SSI recipients who applied for OASDI in CY 2016. As a result, SSA issued significant incorrect OASDI and SSI program funds. These incorrect MOE determinations also had a financial impact on these beneficiaries as SSA underpaid a majority of the beneficiaries who had incorrect OASDI MOEs. In addition, although we did not attempt to estimate the costs, SSA will incur substantial costs to correct the beneficiaries' OASDI and SSI records.

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<sup>22</sup> SSA agreed to correct the MOE for the sampled beneficiaries. As of July 2018, SSA had corrected the payments for two of the sampled beneficiaries but did not provide an estimated completion date for the remaining corrective actions.

Given the large number of OASDI awards, substantial incorrect program funds, and improper payments to beneficiaries, we concluded that SSA should take steps to correct existing records and prevent future incorrect OASDI MOE determinations. If SSA does not take action to address MOE accuracy, it will continue issuing incorrect program funds and making improper payments to current and future beneficiaries.

## RECOMMENDATIONS

We recommend SSA:

1. Evaluate, as part of IT modernization efforts, the feasibility of new systems controls to help ensure that SSA establishes the earliest OASDI MOE for SSI recipients.
2. Clarify policies and procedures to assist SSA technicians in establishing correct OASDI MOEs for SSI recipients.
3. Provide training to assist SSA technicians in establishing correct OASDI MOEs for SSI recipients.
4. Evaluate the cost-effectiveness of reviewing and correcting MOE determinations for prior OASDI awards to SSI recipients.

## AGENCY COMMENTS

SSA agreed with our recommendations. The Agency's comments are included in Appendix D.



Rona Lawson  
Assistant Inspector General for Audit

# *APPENDICES*

## Appendix A – SCOPE AND METHODOLOGY

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To accomplish our objective, we:

- Reviewed the applicable sections of the *Social Security Act*, Code of Federal Regulations, and Social Security Administration’s (SSA) Program Operations Manual System.
- Reviewed previous Office of the Inspector General (OIG) and SSA reports related to month of entitlement (MOE) accuracy.
- Obtained a population of 162,012 Supplemental Security Income (SSI) recipients who submitted Old-Age, Survivors and Disability Insurance (OASDI) applications in Calendar Year 2016.<sup>1</sup> From this population, we selected a random sample of 200 recipients for review. All the recipients met the following selection criteria:
  - in current pay status for OASDI benefits when we extracted the data on August 7, 2017,
  - filed for SSI in a month before filing for OASDI,
  - in current pay status for SSI in their initial MOE to OASDI benefits, and
  - not included in another OIG audit population.<sup>2</sup>
- For the sampled recipients, we:
  - Used the Master Beneficiary and Supplemental Security Records, Online Retrieval System, Informational/Certified Earnings Records System, Claims File Records Management System, Modernized Claims System, and eView to evaluate the sampled recipients.
  - Determined the correct filing date and MOE for OASDI benefits.
  - Submitted cases to SSA for revised disability onset determinations if it was necessary to determine the correct MOE.
  - Determined the incorrect OASDI and SSI program funds and calculated the financial impact to the beneficiary if SSA established an incorrect OASDI MOE.

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<sup>1</sup> We could not identify all beneficiaries who met our audit selection criteria because of record layout issues.

<sup>2</sup> We excluded 771 OASDI beneficiaries identified in an ongoing OIG Audit, *Accuracy of Disability Entitlement Dates of Primary Beneficiaries Who Previously Filed Disability Claims* (A-07-18-50257).

- Determined the incorrect OASDI and SSI program funds that SSA will issue and calculated the financial impact to the beneficiaries over the next 12 months if the Agency does not correct the MOE determinations.
- Reached agreement with SSA on all MOE determinations.
- Interviewed staff in five SSA field offices from different geographic regions. We spoke to technicians with varying levels of claims processing experience as well as managers.
- Submitted questions to SSA Headquarters about MOE policy, procedures, and systems. We also solicited suggestions from Headquarters personnel for improving the accuracy of MOE determinations.

Our review of internal controls was limited to gaining an understanding of SSA's procedures to ensure SSI recipients start OASDI benefits in the correct month. We tested the computer-processed data from SSA's Master Beneficiary and Supplemental Security Records to determine their completeness and accuracy. Based on these tests, we determined the data to be sufficiently reliable to meet our objective.

We conducted our review in Birmingham, Alabama, between January and July 2018. The principal entity reviewed was the Office of Public Service and Operations Support under the Office of the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix B – SAMPLE RESULTS

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As shown in Table B–1, we randomly selected a sample of 200 Supplemental Security Income (SSI) recipients from a population of 162,012 SSI recipients who filed for Old-Age, Survivors and Disability Insurance (OASDI) benefits in Calendar Year 2016.

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

Description	Number of Recipients
Population Size	162,012
Sample Size	200

We identified 45 (about 23 percent) SSI recipients in our sample who had incorrect OASDI months of entitlement (MOE). All but 1 of the 45 beneficiaries who had incorrect MOEs had an OASDI program over- or underpayment that partially offset the corresponding SSI program overpayment or underpayment. Further, 21 beneficiaries had ongoing monthly errors that will result in continued issuance of incorrect program funds if the Agency does not correct their OASDI MOE. We excluded one beneficiary from our computations because the MOE change resulted in both OASDI and SSI program underpayments. Accordingly, we estimated the improper payments and incorrect program funds that SSA issued through July 2018 as well as the additional improper payments and incorrect program funds SSA will issue over the next 12 months. We listed our sample results and the estimated improper payments and incorrect program funds in the population in the following tables.

**Table B–2: Incorrect OASDI Program Funds Issued**

Description	Number of Beneficiaries	OASDI Program Funds
Sample Results	44	\$443,699
Point Estimate	35,643	\$359,422,812
Projection – Lower Limit	27,981	\$165,025,773
Projection – Upper Limit	44,330	\$553,819,850

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

**Table B–3: Incorrect SSI Program Funds Issued**

Description	Number of Beneficiaries	SSI Program Funds
Sample Results	44	\$282,359
Point Estimate	35,643	\$228,728,161
Projection – Lower Limit	27,981	\$121,545,217
Projection – Upper Limit	44,330	\$335,911,104

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

**Table B–4: Overpayments to Beneficiaries**

Description	Number of Beneficiaries	Overpayments to Beneficiaries
Sample Results	15	\$4372
Point Estimate	12,151	\$3,541,623
Projection – Lower Limit	7,585	\$859,198
Projection – Upper Limit	18,326	\$6,224,048

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

**Table B–5: Underpayments to Beneficiaries**

Description	Number of Beneficiaries	Underpayments to Beneficiaries
Sample Results	29	\$163,160
Point Estimate	23,492	\$132,169,341
Projection – Lower Limit	17,131	\$27,913,426
Projection – Upper Limit	31,166	\$236,425,256

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

**Table B-6: Additional Incorrect OASDI Program Funds Issued over the Next 12 Months**

Description	Number of Beneficiaries	OASDI Program Funds
Sample Results	20	\$10,188
Point Estimate	16,201	\$8,252,891
Projection – Lower Limit	10,900	\$2,230,285
Projection – Upper Limit	22,999	\$14,275,498

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

**Table B-7: Additional Incorrect SSI Program Funds Issued over the Next 12 Months**

Description	Number of Beneficiaries	SSI Program Funds
Sample Results	17	\$3,336
Point Estimate	13,711	\$2,702,360
Projection – Lower Limit	8,895	\$983,387
Projection – Upper Limit	20,210	\$4,421,334

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

## Appendix C – DESCRIPTION OF INCORRECT MONTH OF ENTITLEMENT CAUSES

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The following describes the causes of incorrect month of entitlement (MOE) determinations in Table 3.

- **Open Application:** An open application is one for which the Social Security Administration (SSA) did not adjudicate all types of benefits covered by the scope of the application.<sup>1</sup> Without evidence to the contrary, SSA assumes the Old-Age, Survivors and Disability Insurance (OASDI) aspects of a Supplemental Security Income (SSI) application remain open.<sup>2</sup>
- **Reopening:** SSA can revise incorrect prior determinations under certain circumstances.<sup>3</sup>
- **Redetermination:** A review of an SSI recipient's non-medical eligibility factors to determine whether the recipient is receiving the correct SSI payment.<sup>4</sup> A redetermination establishes a filing date for OASDI benefits if the SSI claimant is potentially entitled to OASDI benefits before the completion of the redetermination.<sup>5</sup>
- **Invalid Filing Date:** SSA protects an individual's filing date when it receives a written statement indicating intent to file for benefits. The written statement must be signed and show the writer's intent to claim benefits for themselves or another. SSA cannot establish a filing date before the date it receives a written intent to file for benefits or a valid application.<sup>6</sup>
- **Open Protective Writing:** SSA must close out a protective writing or the filing protection will remain open indefinitely. To close out an OASDI protective writing, the Agency typically sends a 6-month close-out letter that allows the beneficiary 6 months to complete an application.<sup>7</sup>
- **Retroactivity:** The retroactive life of an application is the earliest date in which a claimant is eligible to receive OASDI benefits. The number of retroactive months SSA allows depends on the type of benefit and whether SSA reduces the payment based on the claimant's age.<sup>8</sup>

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<sup>1</sup> SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.025, sec. A (March 9, 2012).

<sup>2</sup> SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.027, sec. A-B (August 31, 2017).

<sup>3</sup> SSA, *POMS, GN-General*, ch. GN 040, subch. GN 04001.010 (December 22, 1989).

<sup>4</sup> SSA, *POMS, SI-Supplemental Security Income*, ch. SI 023, subch. SI 02305.001, sec. A (August 29, 2014).

<sup>5</sup> SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.015, sec. C.1 (October 20, 2016).

<sup>6</sup> SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.010, sec. B (February 21, 2018) and SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.007, sec. A.1 (January 04, 2017).

<sup>7</sup> SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.012, sec. A-B (August 25, 2014).

<sup>8</sup> SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00204.030, sec. A (February 26, 2018).

## Appendix D – AGENCY COMMENTS

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## SOCIAL SECURITY

### MEMORANDUM

Date: July 18, 2018

Refer To: S1J-3

To: Gale S. Stone  
Acting Inspector General

*Stephanie Hall*

From: Stephanie Hall  
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Accuracy of Month of Entitlement Determinations for Supplemental Security Income Recipients Awarded Old-Age, Survivors and Disability Insurance Benefits” (A-08-18-50582) -- INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

Attachment

**SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, “ACCURACY OF MONTH OF ENTITLEMENT DETERMINATIONS FOR SUPPLEMENTAL SECURITY INCOME RECIPIENTS AWARDED OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS” (A-08-18-50582)**

**GENERAL COMMENTS**

We will continue to evaluate and improve our policies and procedures related to these particular claims to ensure that they are clear. Additionally, we will work to increase the knowledge of our technicians by sending periodic reminders and providing training as needed. We will also continue our efforts to identify opportunities to use automation whenever possible to reduce the need for manual actions by our technicians and decrease the potential for errors.

**Recommendation 1**

Evaluate, as part of IT modernization efforts, the feasibility of new systems controls to help ensure that SSA establishes the earliest Old-Age, Survivors and Disability (OASDI) Month of Entitlement (MOE) for Supplemental Security Income (SSI) recipients.

**Response**

We agree.

**Recommendation 2**

Clarify policies and procedures to assist SSA technicians in establishing correct OASDI MOEs for SSI recipients.

**Response**

We agree.

**Recommendation 3**

Provide training to assist SSA technicians in establishing correct OASDI MOEs for SSI recipients.

**Response**

We agree.

**Recommendation 4**

Evaluate the cost-effectiveness of reviewing and correcting MOE determinations for prior OASDI awards to SSI recipients.

**Response**

We agree.

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