Report Summary

Social Security Administration Office of the Inspector General

September 2011

Objective

Mr. Sam Johnson, Chairman, Subcommittee on Social Security, Committee on Ways and Means, asked us to identify additional services and records for which the Social Security Administration (SSA) could charge a fee (to recover costs); evaluate how charging a fee would impact SSA's workload and customer behavior; and assess the validity of SSA's estimate that it costs $26 for every remittance processed at the field offices.

Background

SSA provides face-to-face services to its customers through a network of about 1,300 field offices throughout the United States and its territories. SSA generally does not charge a fee for services related to its core mission of processing claims, assigning Social Security numbers, posting wages, and performing post-entitlement work. However, in certain situations, SSA charges fees for non-program-related services.

To view the full report, visit http://www.ssa.gov/oig/ADO BEPDF/A-04-11-01118.pdf

Congressional Response Report: Social Security Administration Field Office User Fees (A-04-11-01118)

Our Findings

In this austere economic environment, Federal agencies, including SSA, are attempting to accomplish their missions with less funding. Faced with this challenge, we believe SSA must be creative— setting aside the status quo. Although SSA charges user fees for certain information requests, these collections are not consistently applied and only totaled about $2 million in Fiscal Year (FY) 2010. To its credit, SSA established a workgroup to (1) develop and update certain standardized fees and (2) research and plan a new automated collection and remittance process for its field offices. At the time or our review, the workgroup was in the planning and development phase.

Assuming the Agency adopts more streamlined and less expensive remittance procedures, we believe SSA could implement user fees for certain high-volume services and records processed at its field offices. Specifically, we believe SSA should consider charging its customers standardized fees for replacement Social Security number cards, Social Security Number Printouts, and Benefit Verifications. Although we were unable to determine the specific impact such charges would have on customer behavior and SSA's workloads, our limited research, discussions, and a prior review indicate that such fees would reduce requests for these documents. In FY 2010, we estimated that the cost to SSA for processing these three workloads was about $660 million. If SSA charged a fee to recover these costs, or avoided significant portions of these costs through decreased demand, SSA could focus its limited resources on other critical workloads.

Our Conclusions

Given the current and future budget outlook for Federal agencies, we believe SSA should consider charging fees for certain services— to recover its cost of providing services. Admittedly, charging fees may not be a popular choice. However, our research and prior reviews indicate that similar fees have been accepted in other countries, and may influence customer behavior and reduce SSA's workloads.