

# Supplemental Security Income Underpayments Due Deceased Recipients

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Office of Audit Report Summary

### Objective

To determine whether Supplemental Security Income (SSI) underpayments due recipients who had been deceased for longer than 24 months were payable.

### Background

SSI recipients are responsible for reporting any changes in medical or non-medical events that may affect their SSI payments. Changes in these events may lead to an underpayment—any benefit amount due a person that SSA has not paid.

When an SSI recipient dies, he/she is no longer eligible for SSI payments, and any underpayments due are not payable to the recipient's estate. However, SSA can pay underpayments to certain SSI ineligible spouses or parents who meet specific requirements and request payment within 24 months of the recipient's death.

Spouses who were part of SSI-eligible couples in the month of the recipients' death are excluded from the 24-month application deadline for receiving SSI underpayments due deceased recipients. Since there is no application limit for these spouses, they remain eligible to receive the underpayments until they die.

### Findings

We identified approximately \$541 million in SSI underpayments due 866,079 recipients who had been deceased for longer than 24 months. We estimate, as of March 2019, approximately \$746,000 was potentially payable to 1,141 surviving SSI-eligible spouses. The remaining \$540 million (99.8 percent) in underpayments was not payable to SSI-eligible spouses and should be removed from SSA records.

- Approximately \$525 million in underpayments was not payable because the recipients did not have SSI-eligible spouses.
- Approximately \$15 million in underpayments due recipients with SSI-eligible spouses was not payable because the SSI-eligible spouses were also deceased or the spouses were not eligible for SSI in the month of the recipients' death.

These underpayments remained in SSA records because SSA does not differentiate SSI underpayments due deceased recipients with SSI-eligible spouses from underpayments due deceased recipients without SSI-eligible spouses. As a result, SSA retains underpayments due all deceased recipients indefinitely. Retaining underpayments that are not payable shows a liability when, in fact, none exists. Removing invalid underpayments eliminates the risk the underpayments could be erroneously or fraudulently disbursed.

### Recommendations

We recommend SSA:

1. Attempt to locate the surviving SSI-eligible spouses and issue any underpayments they are due.
2. Remove any of the approximately \$540 million in remaining underpayments that are not payable.
3. Establish a process to timely remove from deceased recipients' records any SSI underpayments that are not payable.

SSA agreed with our recommendations.