

Accuracy of Disability Entitlement Dates for Primary Beneficiaries Who Previously Filed Disability Claims

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) accurately established entitlement dates for primary beneficiaries who applied for Disability Insurance Benefits (DIB) in Fiscal Years (FY) 2015 and 2016 and had previously filed DIB claims.

Background

Entitlement to DIB can begin when a claimant is disabled under SSA's rules; obtains DIB insured status; and, if applicable, has served a waiting period. If a claimant was eligible for benefits before he/she filed an application, SSA may allow retroactive entitlement. When SSA pays retroactive DIB, it must offset the DIB by the amount of any Supplemental Security Income (SSI) paid for the same period.

From 1 segment of the Master Beneficiary Record, we identified 13,825 primary beneficiaries who submitted their applications for DIB in FYs 2015 and 2016, received a DIB allowance, and had a prior period of DIB or were previously denied DIB. From this population, we reviewed a random sample of 200 beneficiaries to determine whether their DIB entitlement dates were accurate.

Findings

SSA employees did not accurately establish DIB entitlement dates for 23 (12 percent) of our 200 sampled beneficiaries. Employees established incorrect entitlement dates because they did not accurately evaluate all relevant evidence, appropriately identify retroactive entitlement based on prior filings, or correctly calculate one beneficiary's insured period. As a result, we identified improper payments of \$373,906 related to 23 beneficiaries (\$291,076 in underpayments to 20 beneficiaries and \$82,830 in overpayments to 3 beneficiaries).

Of the 23 beneficiaries who had inaccurate entitlement dates, 11 received SSI during months they should have also received DIB. As a result, SSA paid these 11 beneficiaries \$101,073 more in SSI payments than they were due. In total, we identified \$474,979 in improper DIB and SSI payments. Accordingly, we project SSA established incorrect entitlement dates that resulted in almost \$657 million in DIB and SSI improper payments. After we offset the improper DIB and SSI payments, the financial impact to the sampled beneficiaries was \$272,833. Therefore, we project the resulting financial impact to beneficiaries was about \$377 million.

Recommendations

We made four recommendations to improve the accuracy of disability entitlement dates for beneficiaries who previously filed disability claims and take appropriate action on the errors we identified.

SSA agreed with our recommendations.