

Overpayments Not Collected Through Benefit Withholding

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) appropriately withheld overpayments from individuals receiving Old-Age, Survivors and Disability Insurance (OASDI) or Supplemental Security Income (SSI) benefits.

Background

When an individual receives an OASDI or SSI benefit for any period that exceeds the amount SSA should have paid for that period, an overpayment occurs.

SSA provides the overpaid person written notification of the cause and amount of the overpayment as well as liability for repayment. In the overpayment notice, SSA requests a full and immediate refund and advises the individual of his/her due-process rights.

Overpayment recovery should begin 60 days after SSA notifies the individual of the overpayment unless the individual makes a due-process request. If the individual makes a due-process request, SSA does not initiate withholding or it stops withholding until the request is resolved. When SSA has resolved the request, it should begin or resume withholding all or part of the monthly benefit to recover the overpayment.

Findings

SSA did not always appropriately withhold overpayments from individuals receiving OASDI or SSI benefits. We reviewed a sample of 50 OASDI beneficiaries and 50 SSI recipients who were receiving a monthly benefit and had a total outstanding overpayment balance greater than \$1,000. We found SSA missed opportunities to recover overpayments from 31 of these individuals' benefits (28 OASDI beneficiaries and 3 SSI recipients).

- Ten individuals did not make due-process requests. In two cases, SSA did not initiate benefit withholding 60 days after it notified the individual of the overpayment, as required by policy. For the eight others, SSA interrupted or stopped collection efforts and did not resume them in a timely manner. Had SSA initiated or resumed benefit withholding in accordance with policy, it could have collected approximately \$13,000 in overpayments from these individuals. During our review, SSA took corrective actions for 8 of the 10 individuals.
- Twenty-one individuals made due-process requests that SSA did not address for longer than 180 days. Had SSA resolved these due-process requests and initiated benefit withholding within 180 days, it could have collected over \$121,000 in overpayments from these individuals. During our review, SSA took corrective actions for 8 of the 21 individuals.

Recommendations

We made four recommendations, including that SSA take steps to ensure it begins recovering outstanding overpayments as soon as possible for individuals who are receiving ongoing benefits.

SSA agreed with our recommendations.