

Accuracy of Supplemental Security Income Payments to Recipients with Manually Deemed Income

A-07-18-50295



August 2018

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) correctly computed Supplemental Security Income (SSI) payments for recipients with manually deemed income.

Background

SSI recipients must meet certain income and resource limits for eligibility. SSA presumes members of a family will use part of their income to take care of some of an SSI recipient's needs when they are living in the same household. Accordingly, SSA considers, or "deems," a portion of certain family members' income when determining whether an individual is eligible for SSI payments. However, SSI recipients and their family members do not always report income information timely. Therefore, SSA may obtain information from other sources.

In some cases, SSA's automated system cannot properly calculate the amount of income SSA should deem to an SSI recipient. Therefore, the amount of deemed income must be manually calculated.

From 1 segment of the Supplemental Security Record, we identified a population of 3,827 SSI recipients who had manually deemed income between January 2014 and May 2017.

Findings

From a sample of 100 recipients we reviewed who had manually deemed income, SSA did not correctly compute SSI payments for 46. This occurred because SSA did not correctly develop all income information when the deemors reported it or it became available from other sources if the deemors did not report it timely, did not consider the correct family members in the household, or made various other errors. Further, SSA's policy did not require that a second employee review manually deemed computations.

SSA improperly paid the 46 recipients \$136,569. Specifically, SSA overpaid 12 recipients \$33,375, underpaid 9 recipients \$7,734, and both over- and underpaid 25 recipients \$95,460. Accordingly, we project SSA improperly paid approximately \$105 million in SSI payments to 35,200 SSI recipients with manually deemed income.

Recommendations

We recommend SSA:

1. Take appropriate action to address the 46 recipients we identified with payment errors.
2. Issue a reminder to employees on computing SSI payments for recipients who have manually deemed income, focusing on when and how to develop income and consider family members.
3. Consider implementing a secondary review process for cases that require manual deeming.

SSA agreed with our recommendations.