

Old-Age, Survivors and Disability Insurance Child Beneficiaries Receiving Benefits Under Multiple Records

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) was paying correct benefits to Old-Age, Survivors and Disability Insurance child beneficiaries entitled under more than one parent's record.

Background

Children of workers may be simultaneously entitled to benefits under more than one parent's Social Security number. When a child beneficiary is simultaneously entitled, SSA should only pay the child under the parent's Social Security number that results in the highest monthly benefit amount. When a child is simultaneously entitled, SSA employees must review each parent's record to calculate the monthly benefit amount payable.

SSA's Master File Duplicate Detection Operation is designed to identify child beneficiaries who may be improperly receiving benefits on multiple parents' records and generate alerts for SSA employees to review and resolve.

We identified 2,776 child beneficiaries receiving Old-Age, Survivors and Disability Insurance benefits on more than 1 parent's record as of March 2019. From this population, we randomly selected 100 child beneficiaries for review.

Findings

Of the 100 child beneficiaries in our sample, SSA

- correctly paid 1 child,
- overpaid 86 children \$721,694, and
- underpaid 13 children \$83,706.

We estimate SSA overpaid 2,387 child beneficiaries approximately \$20 million and underpaid 361 child beneficiaries approximately \$2.3 million. If SSA does not take corrective action, we estimate, over the next 12 months, it will overpay approximately \$3.7 million and underpay approximately \$449,000 to these child beneficiaries.

We found SSA did not always pay the correct benefits because Modernized Claims System limitations require that employees manually process applications for children who are simultaneously entitled. At times, this resulted in incorrect case processing, benefit calculations, or coding in the Master Beneficiary Record. In addition, the Master File Duplicate Detection Operation did not generate an alert for all sampled beneficiaries, and employees did not always resolve the alerts generated.

Recommendations

We made four recommendations for SSA to better manage the records of, and reduce improper payments to, child beneficiaries entitled on multiple records.

SSA agreed with our recommendations.