

# Follow-up: Beneficiaries Who Had Not Cashed Their Checks Within 1 Year

## A-09-18-50562



December 2019

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) took appropriate action when Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and Supplemental Security Income (SSI) recipients had not cashed their checks within 1 year.

### Background

OASDI beneficiaries and SSI recipients who receive checks may cash those checks up to 1 year after their issue date. After 1 year, the checks become non-negotiable. When Department of the Treasury records show a beneficiary or recipient has not cashed a check within 1 year, it returns the funds, with identifying information, to SSA in the form of a limited payability credit in the 15<sup>th</sup> month after the check's issue date.

In two prior audits, we found SSA needed to ensure it took appropriate action to reissue payments to eligible OASDI and SSI recipients who had not cashed their checks. We estimated approximately \$164.4 million in uncashed checks was payable to 184,000 beneficiaries and recipients.

For our current review, we identified 85,761 OASDI beneficiaries in current pay who had \$140 million in uncashed checks and 40,444 SSI recipients who had \$39.5 million in uncashed checks.

### Findings

We continue to find that SSA needs to reissue payments to eligible OASDI beneficiaries and SSI recipients who have not cashed their checks. Based on our random samples, we estimate approximately \$81.5 million in uncashed checks was payable to 77,185 OASDI beneficiaries. In addition, we estimate SSA did not resolve and reissue approximately \$15.8 million in uncashed checks payable to 27,502 SSI recipients. This included 1,254 beneficiaries and 423 recipients who each had more than 12 uncashed checks. These individuals had not cashed checks totaling approximately \$30.7 million in OASDI benefits and \$5.7 million in SSI payments.

When SSA resolves cases involving uncashed checks, it needs to determine whether (1) beneficiaries and recipients may be deceased, (2) their age or disability could indicate they are incapable of managing their benefits, and/or (3) representative payees are meeting the beneficiaries' needs. In particular, SSA should document its rationale and, if appropriate, revise guidelines for determining when SSA employees must follow up to resolve why OASDI beneficiaries had not cashed their checks.

Finally, SSA did not resolve and, if appropriate, reissue payments for 78 percent of the beneficiaries and recipients identified in our two prior audits.

### Recommendations

We made four recommendations for SSA to take appropriate action to reissue payments to eligible OASDI beneficiaries and SSI recipients who have not cashed their checks. SSA agreed with our recommendations.