

Follow-up: Minor Children Receiving Social Security Benefits Without a Representative Payee

A-13-17-50169



June 2019

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) complied with its policies when it paid benefits to minor children.

Background

The law requires that most minor children have representative payees to manage their benefits to ensure the payments are used for their current and foreseeable needs.

SSA generally presumes minor children under age 18 are incapable of managing their own benefits. As a result, SSA usually appoints representative payees to manage the benefits of children. However, SSA can pay a child age 15 through 17 directly if the child meets certain criteria.

We identified 709 minor children under age 15 and 1,273 minor children who were between age 15 and 17 and 5 months as of April 2017 that did not have appointed representative payees. We provided a list of the 709 minor children under age 15 to the Agency for review and corrective action. In addition, from the group of children between the ages 15 and 17 and 5 months, we randomly selected 50 for review.

Findings

SSA did not always comply with its policies when it paid benefits to minor children. Of the 709 minor children under age 15 we identified and referred to SSA for review and corrective action, SSA confirmed it had not appointed representative payees for 668 as of April 2017. We estimate the Agency paid these children approximately \$12.2 million. For the remaining 41 children, SSA reported appointing representative payees for 22 before our referrals, suspending or terminating benefits for 14, and correcting the dates of birth for 5 who were actually over age 18.

Of the 50 children we reviewed who were between ages 15 and 17 and 5 months, SSA did not comply with its policies for 46 who received benefits. The Agency confirmed it did not appoint representative payees for 32 child beneficiaries. Based on our sample, we estimate the Agency paid 815 child beneficiaries approximately \$22.5 million. Additionally, SSA did not document capability determinations for 14 children it paid directly as is required by Agency policy. Based on our sample, we estimate SSA did not properly document capability determinations for 356 children it paid directly.

Recommendations

We recommend SSA:

1. Direct employees to (1) comply with policies for appointing representative payees for minor children, (2) document capability determinations, and (3) adjudicate representative payee applications properly.
2. Implement a process to periodically identify all children under age 17 and 5 months being paid directly; and determine and document whether the Agency needs to appoint representative payees.

SSA agreed with our recommendations.

Agency Actions Resulting from the Audit

In response to our audit, SSA appointed representative payees for the children who were still receiving benefits and needed to be served by representative payees.