

Report Summary

Social Security Administration Office of the Inspector General

November 2011



Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure Old-Age, Survivors and Disability Insurance (OASDI) benefits that had been withheld pending a Supplemental Security Income (SSI) windfall offset determination were paid accurately and timely.

Background

The SSI windfall offset is a provision that prevents an individual from receiving monthly OASDI and SSI payments in excess of the total amount that would have been paid if the OASDI benefits had been disbursed when they were due rather than retroactively. In potential windfall offset cases, when an OASDI claim is processed, past due benefits are temporarily withheld pending an SSI windfall offset determination.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-09-11-11130>

Old-Age, Survivors and Disability Insurance Benefits Withheld Pending Supplemental Security Income Windfall Offset (A-09-11-11130)

Our Findings

SSA needs to improve controls to ensure it accurately and timely pays OASDI benefits withheld pending an SSI windfall offset determination. We estimate that:

- 35,398 beneficiaries had SSI windfall offset actions that were not processed. As a result, SSA withheld about \$306 million in OASDI benefits;
- 17,067 beneficiaries had SSI windfall offset actions that were incorrectly processed. As a result, SSA improperly withheld or overpaid about \$51.5 million in OASDI benefits; and
- 60,051 beneficiaries had SSI windfall offset actions that were correctly processed but not in a timely manner. As a result, these beneficiaries did not promptly receive about \$725.9 million in OASDI benefits.

Our Recommendations

We recommended that SSA:

1. Take appropriate action to complete the SSI windfall offset determinations and release the withheld OASDI benefits for the 83 beneficiaries whose offset actions were not processed or incorrectly processed, as identified by our audit.
2. Develop a plan to (a) identify and resolve the backlog of OASDI beneficiaries with pending SSI windfall offset determinations; and (b) take corrective action on the remaining population of 52,382 OASDI beneficiaries whose SSI windfall offset actions were not processed or were incorrectly processed.
3. Implement additional controls to ensure SSI windfall offset actions are processed accurately and timely.

SSA agreed with Recommendations 1 and 3, and partially agreed with Recommendation 2.