

Summary of the Social Security Administration's Development of Earning Alerts for Supplemental Security Income Recipients

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Objective

To determine the effectiveness of the Social Security Administration's (SSA) development of earnings alerts for Supplemental Security Income (SSI) recipients.

Background

SSA systems alert Agency staff when earnings information reported by recipients does not match information from other sources, like the Internal Revenue Service. SSA designed the earnings alert system to ensure individual records are current and accurate.

Our Findings

SSA's development of SSI earnings alerts was not fully effective. While SSA has the opportunity to record the largest possible overpayment caused by earnings if it diligently pursues earnings alerts, over 86 percent of the 16,952 earning alerts we identified in May 2009 had been pending over 6 months. In May 2010, 2,883 of the 16,952 earnings alerts were still pending.

We reviewed a sample of 250 of the 2,883 recipients in April 2011, which was 28 months after the month SSA systems generated the alerts. We reviewed cases that SSA had developed and those that it did not. For those not developed, we identified improper payments caused by the earnings that generated the alerts. We also reviewed cases SSA developed and found additional improper payments that SSA did not identify. Based on these results, we estimate that SSA could have recorded approximately \$110 million more in SSI overpayments for almost 25,140 recipients than it identified if it diligently pursued earnings alerts.

Furthermore, some of the earnings alerts that had been generated may have been unnecessary. Of the 250 recipients in our sample, 46 had alerts identifying earnings that were too low to change the recipient's payment amount.

Our Recommendations

1. Remind staff to develop alerts by taking all appropriate actions to post earnings to the Supplemental Security Record (SSR) accurately and transmit earnings data to the SSR when recorded in Modernized Supplemental Security Income Claims System.
2. Evaluate whether it is cost-effective to establish earnings alerts more likely to lead to payment changes. More specifically, SSA should consider using focused criteria to generate earnings alerts that take into account other factors that determine the SSI payment amount along with the amount of earnings identified.

The Agency agreed with the recommendations.