

Widow(er)s' Benefits When Government Pensions are Involved

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Office of Audit Report Summary

Objective

To assess the Social Security Administration's (SSA) effectiveness in completing government pension verifications and payment recalculations for auxiliary beneficiaries eligible for widow(er)s benefits who had previously received benefits as a spouse.

Background

SSA administers the Old-Age, Survivors and Disability Insurance (OASDI) program under Title II of the *Social Security Act*. Spouses of individuals insured under the OASDI program may be eligible for OASDI auxiliary benefits. According to SSA policy, a spouse is entitled to a maximum of 50 percent of the insured individual's primary insurance amount (PIA). However, a widow(er) may be entitled to 100 percent of the deceased insured individual's PIA.

If the spouse worked in a job that was not subject to Social Security taxes, OASDI auxiliary benefits can be subject to a Government Pension Offset (GPO). The GPO amount is two-thirds the amount of the non-covered pension. If two-thirds of the government pension is equal to or more than the OASDI spouse or widow(er) benefit, SSA reduces the payment to zero.

Findings

For a sample of 100 cases, we determined whether SSA (1) verified the pension information, and (2) calculated benefits correctly based on that pension information. We found the following.

- SSA staff verified the pension information, as required by Agency policy, for 99 of 100 widow(er)s.
- SSA did not calculate the payments accurately in 9 of 100 sample cases. We calculated SSA improperly paid the nine widows about \$44,000.

We identified 147 widow(er)s who may have been eligible for, or receiving, a government pension and who did not have pension payment information or a GPO exemption on their records. If SSA determines any of these widow(er)s was receiving a pension, an overpayment may have occurred and will continue occurring until the Agency takes action.

Recommendations

We made two recommendations in this report for SSA to review the cases we identified during our audit that may have been incorrectly paid and correct those not properly paid.

SSA agreed with both recommendations.