

Accrued Benefits Payable on Behalf of Deceased Beneficiaries

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) took appropriate actions to pay accrued benefits on behalf of deceased beneficiaries.

Background

According to SSA policy, an underpayment is any monthly benefit amount due a beneficiary that SSA has not paid. Underpayments include accrued monthly benefits SSA has not paid and uncashed checks representing correct payments to deceased beneficiaries.

When underpaid beneficiaries are deceased, SSA should pay the underpayment to a surviving spouse, a child, a parent, or the legal representative of the decedent's estate. Before paying an underpayment, SSA must attempt to locate and determine the proper recipient.

We identified 5,375 deceased Title II beneficiaries who, according to the Master Beneficiary Record (MBR), had accrued unpaid benefits dating as far back as January 1984 that may have been payable to surviving beneficiaries in current pay status on the deceased beneficiaries' record.

Our Findings

SSA needs to improve its controls to ensure it pays accrued benefits on behalf of deceased beneficiaries. Based on our random sample, we estimate

- 3,440 deceased beneficiaries had accrued \$24.7 million in benefits that SSA should have paid to a surviving beneficiary in current pay, and
- 1,183 deceased beneficiaries' MBRs incorrectly showed they had accrued unpaid benefits.

This occurred because (1) SSA employees did not take appropriate action to pay accrued benefits to surviving beneficiaries, (2) there was no systems alert that identified the accrued benefits that may have been payable, and (3) SSA did not remove temporary suspensions from the MBR after it paid or resolved the accrued benefits.

Our Recommendations

We recommend that SSA:

1. Take appropriate action to pay the accrued benefits to surviving beneficiaries in current pay for the 64 deceased beneficiaries identified by our audit.
2. Take appropriate action to correct the MBR for the 22 deceased beneficiaries who had incorrect accrued benefits identified by our audit.
3. Evaluate the results of its corrective actions for the 86 beneficiaries and determine whether it should review the remaining population of 5,275 beneficiaries.
4. Remind employees to pay accrued benefits on behalf of deceased beneficiaries to eligible surviving beneficiaries and to correct the MBR after it pays the accrued benefits or if the accrued benefits are not payable.
5. Improve controls over the payment of accrued benefits upon a beneficiary's death.

SSA agreed with our recommendations.