

Auxiliary Beneficiaries Who Do Not Have Their Own Social Security Number

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Office of Audit Report Summary

Objective

To evaluate Title II auxiliary beneficiaries who did not have their own Social Security number (SSN) and quantify incorrect payments to those who died.

Background

Auxiliary beneficiaries are children, widows, spouses, and parents who receive Title II Social Security benefits based on another wage earner's Social Security record. As such, the Social Security Administration (SSA) uses the primary wage earner's—not the auxiliary beneficiary's—SSN to track the auxiliary's benefit payments on the Master Beneficiary Record (MBR).

The *Social Security Act* requires that individuals first entitled to benefits as of June 1, 1989 or later, must have, or have applied for, an SSN to receive Title II benefits.

In 2008, we conducted a review that identified 63,134 Title II auxiliary beneficiaries who did not have their own SSN on the MBR. To conduct our current review, we obtained a file of 12,370 Title II auxiliary beneficiaries who were receiving benefits as of July 2013 and whose SSNs were missing from the MBR.

Our Findings

Our current review identified fewer (80-percent decrease) Title II auxiliary beneficiaries who did not have their own SSN on the MBR than our 2008 review identified. In addition, we determined—with SSA's assistance—that three auxiliary beneficiaries were deceased and improperly paid \$136,153 in benefits after death.

As of June 2014, SSA had updated 597 (5 percent) of the 12,370 auxiliary beneficiary records with an SSN. Of the 11,773 auxiliary beneficiaries without an SSN, 594 (5 percent) were first entitled to benefits after May 1989 and, according to the *Social Security Act*, required to have an SSN on the MBR or have applied for an SSN. The remaining 11,179 (95 percent) auxiliary beneficiaries without an SSN were entitled to benefits before June 1989 and therefore not required to have an SSN on the MBR or have applied for an SSN. However, having an SSN on the MBR—regardless of the date of entitlement—improves SSA's ability to prevent improper payments since the Agency bases most of its data matching on the SSN.

As of June 2014, more than 5,000 of the 11,773 auxiliary beneficiaries without an SSN were age 90 or older. These individuals will most likely continue receiving benefits until their deaths; and if the SSN is not on the MBR, SSA may not be able to timely identify and terminate benefit payments at the time of death.

Our Recommendations

1. Update the MBR with the SSNs for the 594 auxiliary beneficiaries entitled to benefits after May 1989.
2. Take additional steps to ensure aged auxiliary beneficiaries without an SSN are alive.

SSA agreed with Recommendation 1, but disagreed with Recommendation 2.