

Subsequent Events Related to Denied Claimants

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Office of Audit Report Summary

Background

Claimants who are denied disability benefits at the State disability determination services (DDS) can appeal the decision to a Social Security Administration (SSA) administrative law judge (ALJ).

A claimant who disagrees with an ALJ's decision may request a review by SSA's Appeals Council (AC). The AC may deny, dismiss, or grant the request. If the AC grants the request, it will either (1) issue a decision that affirms, modifies, or reverses the ALJ decision or (2) remand the case to the ALJ with instructions for further review. A claimant who disagrees with the AC decision may file an appeal with a Federal district court. The court may (1) dismiss the case; (2) affirm, modify, or reverse the AC's decision; or (3) remand the case for further review.

In addition, after an ALJ denies a case, the claimant may reapply for benefits, return to work, or another action could occur, including but not limited to, death, imprisonment, homelessness, and/or benefit attainment from another private source/government agency.

Given the variety of possible outcomes, we performed this review to assess claimants' status several years after SSA denied their disability applications.

Summary

We randomly sampled 275 cases from about 190,900 that ALJs initially denied in FY 2011. At the time of our review, 79 claimants (29 percent) were receiving benefits, and another 36 (13 percent) were still awaiting a decision on a new application or appeal for disability benefits. Seventy-five claimants (27 percent) reported earnings in Calendar Year 2011 or later, of which about half reported annual earnings between \$12,400 and \$66,700. In general, these earnings exceeded a threshold used by SSA to determine eligibility for disability benefits. Another 63 claimants (23 percent) were not receiving Agency benefits or reporting earnings. However, some in this category had unsuccessfully appealed or reapplied. The final 22 claimants (8 percent) either were deceased or had unique situations, such as Medicare-only benefits, incomplete records in SSA systems, or children receiving benefits because of a parent's status.

