

Summary of Supplemental Security Income Applicants with Earnings Received After Their Disability Onset Dates and Before Favorable Hearing Decisions
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Objective

To determine whether the Social Security Administration (SSA) appropriately addressed earnings received by Supplemental Security Income (SSI) applicants after their disability onset dates and before favorable hearing decisions.

Background

To qualify for SSI disability benefits, an applicant must be unable to engage in substantial gainful activity. If an applicant is denied benefits at the initial and reconsideration levels, the applicant may request a hearing before an administrative law judge (ALJ). While SSI applicants may work after applying for disability benefits, earnings during this period should be considered by an ALJ.

Our Findings

SSA did not fully address income earned by SSI applicants after their disability onset dates and before favorable hearing decisions. Additionally, SSA did not always evaluate the effect of earnings posted to recipients' records after hearings on their eligibility or SSI payment amount.

Specifically, in 56 (60 percent) of 94 cases we reviewed with earnings posted before a hearing decision, the ALJs did not address the earnings in their written decisions. Also, SSA did not consider the effect of earnings posted after a favorable hearing decision on the recipients' eligibility or SSI payment amount in 14 (78 percent) of 18 cases. Had SSA considered the earnings, it would have determined the individuals were either ineligible for SSI or had a later disability onset date. We estimate that SSA made improper payments of almost \$5.6 million because it did not appropriately address the earnings

Our Recommendations

We recommend that SSA:

1. Remind ALJs to address earnings posted after an applicant's disability onset date and before his/her hearing date to determine whether the related work activity affects the applicant's disability onset date or SSI eligibility.
2. Assess the feasibility of a systems alert that identifies cases where significant earnings for work performed before the ALJ decision are recorded for an SSI recipient after issuance of a favorable hearing decision.

SSA agreed with Recommendation 1 but disagreed with Recommendation 2.