

Report Summary

Social Security Administration Office of the Inspector General

February 2012



Objective

To determine whether individuals concurrently entitled to both Supplemental Security Income (SSI) payments and Old-Age, Survivors and Disability Insurance (OASDI) benefits received combined payments in excess of Federal limits.

Background

The OASDI program provides benefits to wage earners and their families in the event the wage earner retires, becomes disabled, or dies. The SSI program provides payments to financially needy individuals who are aged, blind, or disabled.

Under the SSI program, each eligible individual living in his/her own household and having no other countable income is provided a maximum monthly Federal cash payment of \$674. The Social Security Administration (SSA) reduces SSI payments by a recipient's countable income (which includes OASDI benefits), less certain exclusions.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-06-10-21066>.

Supplemental Security Income Recipients Receiving Social Security-administered Payments in Excess of Federal Limits (A-06-10-21066)

Our Findings

In December 2010, SSA issued more than 29,000 concurrent beneficiaries combined SSA payments that exceeded Federal limits.

- In approximately 2,000 cases, SSA issued combined payments in excess of Federal limits as a result of 2 systems-related payment computation errors. We forwarded these cases to SSA for corrective action. SSA informed us it completed reviews of these cases in September 2011, corrected the payment errors, identified about \$5.5 million in excess payments, and established overpayments on applicable payment records. Had SSA not corrected these errors, we estimate the Agency would have made about \$2.2 million in additional erroneous payments over the next 12 months.
- Most of the remaining cases were not overpayments. SSA paid the beneficiaries amounts in excess of Federal limits because of retrospective monthly accounting (RMA). Application of RMA can cause beneficiaries to experience significant fluctuations in total SSA payments over several months. Exempting OASDI benefit increases from RMA would better ensure a consistent income stream to these SSI recipients, avoid confusion, and reduce the administrative burden associated with explaining payment fluctuations.

Our Recommendations

We recommended that SSA (1) determine whether it could implement cost-effective systems enhancements that address the payment computation errors and (2) consider pursuing a legislative proposal to exempt OASDI payments from RMA.

SSA agreed with Recommendation 1 stating it had implemented a change to address the types of payment computation errors discussed in the report. SSA disagreed with Recommendation 2 stating that before it considers proposing legislation on this issue, it must study the benefits, feasibility, and cost of such a proposal and ensure the proposal does not result in unintended consequences. In this case, completion of the preliminary cost-benefit study is an important phase of the consideration process. As a result, we believe SSA's comments are responsive, address the findings discussed in the report, and meet the intent of our recommendations.