

Report Summary

Social Security Administration Office of the Inspector General

March 2012



Objective

To evaluate the effectiveness of the Social Security Administration's (SSA) controls and procedures over spousal beneficiaries who reported they would be entitled to a Government pension in the future.

Background

Generally, Social Security benefits are reduced for spouses, divorced spouses, and surviving spouses who also receive a pension based on their own work for a Federal, State, or local government that was not covered by Social Security. The reduction, known as the government pension offset (GPO), is equal to two-thirds of the government pension. When individuals apply for spousal benefits, SSA asks whether they receive or expect to receive a pension based on earnings not covered by Social Security.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-09-10-21071>

Spousal Beneficiaries Who Reported They Were Entitled To a Government Pension (A-09-10-21071)

Our Findings

SSA needed to improve its controls and procedures to ensure GPO was timely and accurately applied. Specifically, we found that SSA did not (1) follow up with spousal beneficiaries who stated they would receive a pension in the future, (2) timely or accurately impose GPO, or (3) update the Master Beneficiary Record (MBR) with revised pension information provided by beneficiaries. Based on our random sample, we estimate that:

- 255 beneficiaries were overpaid about \$6.6 million because SSA did not take follow up actions after these individuals reported they would receive a pension;
- 670 additional beneficiaries were overpaid about \$6 million because GPO was not timely or accurately imposed; and
- 1,276 beneficiaries had incorrect pension information on the MBR.

This occurred, in part, because SSA did not always monitor beneficiaries' pension entitlement dates or take prompt action to initiate GPO actions.

Our Recommendations

We recommended that SSA:

1. Identify and take corrective action, as appropriate, for the population of beneficiaries who have a pension entitlement date before May 2007.
2. Ensure Regular Transcript Attainment and Selection Pass generates follow up alerts until the future pension entitlement date on the MBR is updated or removed.
3. Remind employees to update the MBR when the future pension entitlement date has changed.

SSA agreed with all our recommendations.