

Summary of Accumulated Funds Payable to Beneficiaries or Their Representative Payees
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Social Security Administration Office of the Inspector General

Objective

To evaluate the Social Security Administration's (SSA) controls over the payment of accumulated funds to beneficiaries or their representative payees.

Background

According to SSA policy, accumulated funds are benefits that (1) accrued before an initial award, (2) were withheld pending the selection of a representative payee, or (3) were conserved and returned to SSA by a former representative payee. If a beneficiary has no representative payee, SSA is required to pay all accumulated funds directly to the beneficiary unless the selection of a representative payee is pending, a capability determination is pending, or a beneficiary requested installment payments. If the accumulated funds total more than \$4,000, SSA must evaluate certain representative payees' ability to handle the benefits.

Our Findings

SSA needed to improve controls to ensure it properly and timely paid accumulated funds to Title II beneficiaries or their representative payees. Based on a random sample, we estimate that

- 4,174 beneficiaries had accumulated funds totaling approximately \$29.9 million that SSA had not paid to the beneficiaries or their representative payees;
- 909 beneficiaries had approximately \$18.6 million in accumulated funds that were correctly paid but not timely; and
- 248 representative payees were paid accumulated funds totaling approximately \$4 million, but SSA had not evaluated their ability to manage the funds, as required.

This occurred because SSA did not always (1) establish manual diaries to control the payment of accumulated funds, (2) pay accumulated funds to representative payees when required, or (3) pay all accumulated funds due and payable upon the selection of a representative payee.

Our Recommendations

We recommended that SSA:

1. Take appropriate action to pay the accumulated funds for the 101 Title II beneficiaries identified by our audit.
2. Develop a cost-effective method for identifying and paying, as appropriate, Title II beneficiaries who have unpaid accumulated funds.
3. Remind employees to review the ability of certain representative payees to manage accumulated funds over \$4,000 and document the results of its review in its records.

SSA agreed with all our recommendations.