

Report Summary

Social Security Administration Office of the Inspector General

August 2012



Objective

To identify and review Supplemental Security Income (SSI) payments to multi-recipient households.

Background

SSI is a nation-wide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals

We obtained data on approximately 7.5 million SSI recipients receiving payments as of July 2011 whose SSA records indicated were not under the care of an organizational representative payee. We identified instances where SSA payment records indicated two or more recipients lived at the same address.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-06-09-29149>

Management Advisory Report: Supplemental Security Income Payments to Multi-Recipient Households (A-06-09-29149)

Our Findings

The Government recognizes that the cost of necessities for two people living together is less than if they maintain separate households and it incorporates these economies of scale into Federal poverty guidelines. In partial recognition of these economies of scale, the SSI program reduces payments to married couples. However, the SSI program does not apply comparable reductions to SSI payments issued to unmarried couples living together or to other multi-recipient living arrangements. As a result, our estimates indicate the program allows approximately 50,000 recipients living in households with at least 3 other recipients to receive about \$63 million in annual tax-free cash payments in excess of established Federal poverty guidelines. Other estimates indicate that broader application of multi-recipient household payment reductions that currently only affect married couples could reduce Federal outlays by much larger amounts.

Between 1996 and 2005, Congress considered applying reductions already in effect for married couples to other multi-recipient living arrangements. However, to date, none of the initiatives has been implemented. In February 2010, the President established the National Commission on Fiscal Responsibility and Reform. The Commission's final report stated, "Our nation is on an unsustainable fiscal path" and called for cuts in excess entitlement spending to help ensure "... a robust, affordable, fair, and sustainable safety net."

Expanding payment limits currently applied only to married couples to other multi-recipient households could reduce SSI outlays while simultaneously helping to ensure a robust, affordable, fair and sustainable safety net.

Our Recommendation

We recommended that SSA consider the viability of a legislative proposal to extend payment limits currently in effect only for married couples to other multi-recipient households.

SSA agreed to continue working with Congress and the Administration to develop and support legislation that strikes the appropriate balance between fiscal and policy considerations.