

Supplemental Security Income Recipients Eligible for, or Receiving, Pensions from China

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Office of Audit Report Summary

Objective

To identify Supplemental Security Income (SSI) recipients who were eligible for, or receiving, pensions from China and who may have therefore been overpaid.

Background

Since SSI is a program based on financial need and the payer of last resort, SSI recipients must apply for all other available sources of income to remain eligible. This includes foreign-based pensions.

Foreign pension-paying entities that pay income to persons living in the United States do not usually make the income information available to the Internal Revenue Service. Therefore, SSA relies on recipients to self-report the information. Additionally, pensions from China may be payable to individuals who have 15 years of work in China, even though the individuals reside in the United States.

We identified 29,361 SSI recipients who may have been eligible for, or receiving, a pension from China. We selected a random sample of 200 recipients from this population for review.

Findings

Based on the results of our review, we estimated that about 5,900 SSI recipients received undisclosed pensions from China. Of these recipients, we estimated the Social Security Administration (SSA) overpaid about 5,600 recipients \$125 million because of undisclosed pensions from China and will continue improperly paying about \$25 million in SSI payments over the next 12 months if it does not properly post this income to its records.

Specifically, of the 200 recipients in our sample,

- 40 (20 percent) were receiving a pension from China, and 38 of the 40 were overpaid approximately \$850,000;
- 12 (6 percent) may have been eligible for, but were not receiving, a pension from China;
- 134 (67 percent) were not eligible for a pension from China;
- 12 (6 percent) did not respond to our request for information. We referred these cases to SSA in February 2016; and
- 2 (1 percent) were not applicable because the recipient either died or had benefits suspended.

Recommendation

We recommend that SSA follow up on the cases in our sample in which the recipients are receiving or potentially eligible for pensions from China and take appropriate corrective action.

SSA agreed with the recommendation.