

Collecting Title II Overpayments from Contingently Liable Beneficiaries

A-07-16-50089



April 2016

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had maximized overpayment recovery efforts by attempting to collect Title II overpayments from contingently liable beneficiaries.

Background

A beneficiary is overpaid when funds he/she receives for any period exceed the amount that should have been paid for that period. The overpaid beneficiary is primarily responsible for repaying the overpayment. However, any other beneficiary receiving benefits on the same earnings record as the overpaid beneficiary can be held liable for repaying the overpayment. This is known as contingent liability. When SSA cannot collect an overpayment from the overpaid beneficiary, it should attempt to collect the overpayment from contingently liable beneficiaries.

From 1 segment of the Recovery of Overpayments, Accounting and Reporting system, we identified 7,649 Title II overpayments that had outstanding balances ranging from \$987 to \$280,433 as of December 2014.

Findings

From our random sample of 200 Title II overpayments, we found SSA had attempted to collect 24 (12 percent) from the Title II benefits of contingently liable beneficiaries. We also found 32 overpayments (16 percent) that SSA could not collect from contingently liable beneficiaries because it had to wait certain amounts of time before it could take necessary actions to attempt collection from a contingently liable beneficiary. Further, there were 52 overpayments (26 percent) that SSA could not collect from contingently liable beneficiaries for other reasons. However, for the remaining 92 overpayments (46 percent), we identified the following.

- There were 57 overpayments that met all the requirements for collection from the Title II benefits of contingently liable adult beneficiaries that SSA had not identified. We project there were about 11,000 overpayments with an outstanding balance of more than \$41 million that SSA should have attempted to collect from contingently liable adult beneficiaries.
- There were 35 overpayments where SSA should have terminated collection actions against the overpaid beneficiaries and attempted to collect from the Title II benefits of contingently liable adult beneficiaries. We project there were about 7,000 overpayments with an outstanding balance of more than \$39 million where SSA should have terminated collection actions against the overpaid beneficiaries and attempted to collect from contingently liable beneficiaries.

Recommendations

We made four recommendations to maximize overpayment recovery efforts by attempting to collect Title II overpayments from contingently liable beneficiaries.

SSA agreed with our recommendations.