

Recovering Supplemental Security Income Overpayments from Jointly Liable Recipients

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May 2017

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had maximized overpayment recovery efforts by attempting to recover Supplemental Security Income (SSI) overpayments from jointly liable recipients.

Background

An overpayment occurs when funds an individual receives for any period exceed the allowable amount. SSA initially attempts to recover an overpayment from the SSI recipient. However, SSA can also attempt to recover the overpayment from the jointly liable representative payee and/or spouse.

A representative payee is jointly liable for an individual's overpayment when the payee used the overpaid funds for the SSI recipient's support and maintenance, and the payee knew, or reasonably should have known, the facts that caused the overpayment.

An overpaid recipient's spouse is jointly liable for an overpayment when he/she was receiving SSI payments as a member of an eligible couple when the overpayment occurred.

From 1 segment of the Supplemental Security Record, we identified 2,915 SSI overpayments that had outstanding balances between \$235 and \$65,841 as of May 2016.

Findings

We reviewed a random sample of 100 SSI overpayments to determine whether SSA had attempted to recover the overpayments from the SSI payments of the recipients' jointly liable spouse and/or representative payee as of September 2016. Policy did not allow SSA to recover 39 of the 100 overpayments from the jointly liable recipients' SSI payments. For the remaining 61 overpayments:

- 43 met the requirements for SSA to terminate recovery actions against the overpaid recipient and attempt recovery from jointly liable recipients. We project more than 25,000 overpayments had an outstanding balance of approximately \$81 million where SSA should have terminated recovery actions against the overpaid recipients and attempted recovery from jointly liable recipients.
- 18 met the requirements for recovery from jointly liable recipients, but SSA had not recovered them. We project approximately 11,000 overpayments had an outstanding balance of more than \$24 million that SSA should have attempted to recover from jointly liable recipients.

Recommendations

We recommend SSA:

1. Take necessary actions to recover the 61 overpayments we identified that met the requirements for recovery from jointly liable recipients.
2. Determine whether it can create a process to identify SSI overpayments that meet the requirements for recovery from jointly liable recipients similar to the process in place for OASDI overpayments.

SSA generally agreed with our recommendations.