



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Follow-up on Dually Entitled Beneficiaries and Family Maximum Provisions

052301 September 2025



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 18, 2025

Refer to: 052301

To: Frank Bisignano
Commissioner

From: Michelle L. Anderson *Michelle L. Anderson*
Acting Inspector General

Subject: Follow-up on Dually Entitled Beneficiaries and Family Maximum Provisions

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration correctly adjusted benefits for dually entitled children and spouses in accordance with the family maximum provisions.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please contact Jeffrey Brown, Deputy Assistant Inspector General for Audit.

Attachment

Follow-up on Dually Entitled Beneficiaries and Family Maximum Provisions

052301



September 2025

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) correctly adjusted benefits for dually entitled children and spouses in accordance with the family maximum provisions.

Background

The *Social Security Act* limits the amount of benefits payable to children and spouses on one Social Security record. If the total monthly benefits of all children and spouses on that record exceed the maximum, SSA must reduce their payments to keep the total benefits within the family maximum provisions.

Individuals may be entitled to benefits on more than one Social Security record. Under these circumstances, SSA must determine whether to combine the family maximums from the records and compute the monthly benefit amounts.

This is a follow up to our 2014 audit of the *Adjustment of Monthly Benefits Under the Family Maximum Provisions*. For our current audit, we identified 23,603 Social Security records with dually entitled beneficiaries and at least 2 other beneficiaries who had a date of entitlement of May 2013 or later and were in current pay status as of May 2023. We selected a random sample of 225 records for review.

Results

We estimate SSA correctly adjusted benefits in accordance with the family maximum provisions for 15,211 of the 23,603 wage earners' records in our population (64 percent); however, SSA improperly paid approximately \$114 million to spouses and children on 8,392 wage earners' records (36 percent). Although SSA took actions to address our prior audit findings, employees continued to inaccurately compute the benefits for spouses and children who were entitled to benefits on multiple records. We were unable to determine why employees incorrectly performed these functions.

Conclusion

SSA can improve the accuracy of benefits involving the combined family maximum by reducing its reliance on employees knowing and correctly applying complex policies and taking manual actions. For example, SSA could improve system controls—such as implementing an edit, prompt, or alert within the rate computation systems—to notify technicians to review the record before taking final action.

Without improvements, the Agency will continue improperly paying beneficiaries. When SSA underpays beneficiaries, such as children and spouses, their financial well-being may be impacted. Conversely, when beneficiaries are overpaid, they are generally required to reimburse the Agency for the overpayment, which can cause additional financial burdens on the beneficiaries and their family. Moreover, when this occurs, the Agency may not be able to fully recover the funds.

Recommendations

We recommend SSA:

1. Take appropriate action for the 80 records we identified.
2. Identify the factors contributing to employee errors during this process and implement appropriate corrective actions.

SSA agreed with our recommendations.

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ABBREVIATIONS

ICF	Interactive Computation Facility
MACADE	Manual Adjustment, Credit, and Award Data Entry system
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) correctly adjusted benefits for dually entitled children and spouses in accordance with the family maximum provisions.

BACKGROUND

The *Social Security Act* provides monthly benefits to families of retired, disabled, and deceased workers.¹ The Act limits the amount of benefits payable to children and spouses on a wage earner's Social Security record.² The maximum amount of benefits that can be paid to a beneficiary's spouse and children is called the family maximum.³ If the total monthly benefits for all spouses and children on a record exceeds the maximum, SSA must reduce their payments to keep the total benefits within the family maximum provisions. Generally, a family can be paid no more than one established maximum amount.

Individuals, such as children and spouses, may be entitled to benefits on more than one Social Security record. Under these circumstances, SSA must determine whether to combine the family maximums from the records and compute the monthly benefit amounts payable to entitled children and spouses.⁴

When an individual files a claim or notifies SSA of a change in their family composition, an SSA employee must manually review the benefit record and calculate the benefits payable under the family maximum provisions. Employees identify and develop all elements that affect entitlements and benefit amounts on a Social Security record. These elements include family composition; rate adjustments based on a change to another beneficiary's payment status; and multiple entitlement, which is known as Whole Case Processing. For more information about individuals entitled on more than one Social Security record and SSA's process for calculating the family maximum for these individuals, see Appendix B.

¹ *Social Security Act* §§ 202, 223, 42 U.S.C. §§ 402, 423.

² SSA creates and maintains Social Security records for individuals based on their Social Security numbers for the purpose of tracking their earnings, determining entitlements, and recording the benefits paid to them under the Social Security program.

³ *Social Security Act* § 203(a), 42 U.S.C. § 403(a).

⁴ SSA, *POMS*, RS 00615.770 (November 14, 2024).

PRIOR AUDIT

In a March 2014 review, we found SSA did not always properly adjust benefits to spouses and children in accordance with the family maximum provisions.⁵ Employees did not correctly identify the applicable computations or correct payment records with incorrect computations. We estimated SSA improperly paid about

- \$25.6 million on 2,334 records because it incorrectly calculated the total benefits payable under the family maximum provisions;
- \$10.8 million on 547 records because it did not combine the family maximum for children who were eligible for benefits on more than 1 Social Security record; and
- \$4.6 million on 547 records because it improperly calculated benefits for spouses who had children in their care.

We recommended SSA (1) take appropriate action to pay underpayments and establish overpayments on the 94 records our audit identified; (2) evaluate the results of its corrective action for the 94 records and determine whether it should review the remaining 7,095 records; (3) improve controls to ensure benefits are properly adjusted for records with dually entitled spouses; and (4) remind employees to properly apply the family maximum provisions for records with dually entitled spouses and review eligibility for children entitled to benefits on both parents' records and spouses with children in their care.

SSA agreed with and implemented our recommendations. In response to Recommendation 3, SSA updated policy to include criteria for when a combined family maximum does and does not apply. SSA also updated the policy to instruct employees to use the Interactive Computations Facility (ICF) to assist in determining whether the combined family maximum is applicable.⁶

SCOPE AND METHODOLOGY

For our current audit, we identified 23,603 Social Security records with a dually entitled beneficiary and at least two other beneficiaries who were entitled May 2013 or later,⁷ whose benefits SSA had not terminated as of May 2023, and whose benefits SSA may have adjusted because of the family maximum provisions.⁸ From this population, we selected a random sample of 225 records for review. See Appendix A for more information on our scope and methodology.

⁵ SSA, OIG, *Adjustment of Monthly Benefits Under the Family Maximum Provisions*, A-09-13-13087, (March 2014).

⁶ SSA employees use ICF program 29 to determine the combined family maximum amount. SSA, *POMS*, RS 00615.001 (September 16, 2002) and RS 00615.770, A (November 14, 2024).

⁷ We removed all beneficiaries with an initial date of entitlement April 2013 and earlier to prevent overlap with the population identified in our prior report, *Adjustment of Monthly Benefits Under the Family Maximum Provisions*, A-09-13-13087, (March 2014). Improper payments for that audit were calculated through April 2013.

⁸ We included in our calculation of payable benefits beneficiaries whose benefits were in suspended status.

RESULTS OF REVIEW

We estimate SSA correctly adjusted benefits in accordance with the family maximum provisions for 15,211 of the 23,603 wage earners' records in our population (64 percent); however, SSA improperly paid approximately \$114 million to spouses and children on 8,392 wage earners' records (36 percent). Although SSA took actions to address our prior audit findings, employees continued to inaccurately compute the benefits for spouses and children who were entitled to benefits on multiple records. We were unable to determine why employees incorrectly performed these functions.

Sample Results

Of the 225 records in our sample, SSA employees properly computed benefits for 145 (64 percent) but improperly computed benefits for 80 (36 percent). Specifically, employees

- inaccurately calculated the combined family maximum on 53 records;
- did not properly adjust benefits for the beneficiaries on 15 records; and
- used the incorrect family composition on 12 records.

Calculations Under the Family Maximum

SSA employees must obtain such information as the family maximum amount from the involved records and manually input the data into ICF, which determines whether a combined family maximum applies and computes the combined family maximum and benefit amounts. SSA employees must then manually record those amounts on the payment record via the Manual Adjustment Credit and Award Data Entry (MACADE). SSA's Title 2 Redesign system validates the benefit payments, including the family maximum computations, for dually entitled beneficiaries. It reviews and corrects monthly benefit amounts for the current year and, if necessary, up to 4 years retroactively.

For 53 (24 percent) of the 225 records in our sample, SSA employees

- inaccurately applied the combined family maximum;
- improperly applied the re-apportioned benefit amounts to other individuals on the records; or
- incorrectly calculated the re-apportioned benefit amounts or family maximums on the records.

As a result, SSA improperly paid a \$1.2 million—\$1 million in underpayments and \$189,940 in overpayments. We were unable to determine why employees incorrectly identified the computations or resolved payment records with incorrect computations.

For example, beginning May 2021, three children were entitled to benefits on their mother's record. In July 2021, the children also became entitled to benefits on their father's record. An SSA employee correctly determined the father's record would provide the children with the highest benefits. However, the employee did not apply the combined family maximum in the computations, as required. The employee should have applied the combined family maximum beginning July 2021 for higher benefit payments for all three children. As a result, the Agency underpaid the children \$38,798 from July 2021 through October 2023.⁹

Benefit Adjustments

Employees must review multiple records and accurately identify all the factors involved in adjusting benefits involving family maximum, manually determine the correct calculations, and input the benefit amounts into MACADE for transfer to the payment records.^{10,11} SSA should not reduce the benefits for a spouse who claims benefits before their full retirement age when the spouse cares for a number holder's child who is (1) under age 16 or disabled and (2) entitled to child benefits.¹²

SSA employees did not properly adjust benefits on 15 of the 225 records in our sample. Specifically, employees did not adjust rates for at least one family member when they adjusted rates for other members for nine records and did not properly adjust benefits on three records that involved multiple benefits. SSA employees reduced the benefits to three spouses who claimed benefits before they reached full retirement age, even though they had the numberholders' children in their care. As a result, SSA improperly paid \$169,122 in benefits to children and spouses—\$58,874 in underpayments and \$110,248 in overpayments. We were unable to determine why employees incorrectly performed these functions.

For example, in February 2009, four children were receiving benefits on their father's record. In February 2020, the children became entitled to benefits on their mother's record. An SSA employee correctly determined the combined family maximum applied but did not adjust the benefits correctly. An employee applied and paid the combined family maximum on both parents' records, when the employee should have only done so for one parent. SSA overpaid the children \$65,579 from February 2020 through October 2023.¹³

⁹ As of July 2025, SSA had not applied the combined family maximum in the computations to pay the higher benefit payments to the children.

¹⁰ SSA employees use ICF program 29 to determine the combined family maximum amount and Western Program Service Center's Rate Computations for complex dual entitlement computations. SSA, *POMS*, RS 00615.001 (September 16, 2002) and RS 00615.770, A (November 14, 2024).

¹¹ SSA, *POMS*, RS 00615.768 (December 11, 2023) and RS 00615.770 (November 14, 2024).

¹² SSA, *POMS*, RS 00615.010 (December 7, 2023) and RS 00615.201, A (December 7, 2023)

¹³ As of July 2025, SSA has updated the records and paid the children benefits on only one parent's record. However, the ongoing combined family maximum and benefit amounts are incorrect.

Family Composition

SSA employees used the Combined Family Maximum program to compute the benefits payable to beneficiaries entitled on each record and determine the record from which the Agency should pay benefits. An SSA employee must obtain and input the number of simultaneously entitled children and the dates of any family composition changes in ICF. When the family composition changes, SSA requires that its employees re-apportion the family maximum among those family members who remain entitled to benefits. For example, when SSA terminates a child's benefits, it must also increase the benefits paid to the other children who remain entitled to benefits (not to exceed their original benefit amount).¹⁴

SSA employees used the incorrect family composition when they calculated the family maximum for 12 of the 225 families in our sample. As a result, SSA improperly paid \$137,370 in benefits—\$135,867 in underpayments and \$1,503 in overpayments. We were unable to determine why employees incorrectly determined the family compositions.

For example, beginning September 2018, six children became entitled on both their parents' records. An employee correctly determined the mother's account as the payment record, properly applied, and calculated the combined family maximum and benefit amounts. However, the employee did not accurately determine the changes in the family composition when three children turned 18 between 2020 and 2023. As a result, the Agency underpaid this family \$21,507 beginning December 2020 through October 2023.¹⁵

CONCLUSION

SSA can improve the accuracy of benefits involving the combined family maximum by reducing its reliance on employees knowing and correctly applying complex policies and taking manual actions. For example, SSA could improve system controls—such as implementing an edit, prompt, or alert within the rate computation systems—to notify technicians to review the record before taking final action.

Without improvements, the Agency will continue improperly paying beneficiaries. When SSA underpays beneficiaries, such as children and spouses, their financial well-being may be impacted. Conversely, when beneficiaries are overpaid, they are generally required to reimburse the Agency for the overpayment, which can cause additional financial burdens on the beneficiaries and their family. Moreover, when this occurs, the Agency may not be able to fully recover the funds.

RECOMMENDATIONS

We recommend SSA:

1. Take appropriate action for the 80 records we identified.

¹⁴ SSA, POMS, RS 00615.756 (November 29, 2018) and RS 00615.758 (September 16, 2002).

¹⁵ As of July 2025, SSA has not corrected the children's benefit amount to reflect the changes in the family composition.

2. Identify the factors contributing to employee errors during this process and implement appropriate corrective actions.

AGENCY COMMENTS

SSA agreed with our recommendations, see Appendix C.

APPENDICES

Appendix A – SCOPE, METHODOLOGY, AND SAMPLING RESULTS

To accomplish our objective, we:

- Reviewed the applicable sections of the Social Security Act, United States Code, and the Social Security Administration's (SSA) Program Operations Manual System.
- Corresponded with SSA employees from the Office of Operations.
- Identified from the Master Beneficiary Record 23,603 Social Security records with a dually entitled beneficiary and at least 2 other beneficiaries with a date of entitlement of May 2013 or later and were in current pay status as of May 2023.
- Selected a random sample of 225 records for review to determine whether SSA has established the correct payable benefits under the family maximum provision.
- Reviewed queries from the Master Beneficiary Record and Numident for each sample case.
- Used SSA's Interactive Computation Facility and the Western Program Service Center's Rate Computations to determine the monthly benefit amount for each sampled dually entitled child and spouse beneficiary.
- Provided SSA the potential error cases for its review and updated our analysis based on their feedback.
- Obtained information from SSA subject-matter experts to determine why the errors occurred.

We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following component and principles as significant to the audit objective.

Component 3: Control Activities

Principle 10: Design control activities

Principle 12: Implement control activities

We assessed the reliability of the computer-processed data by performing electronic testing and reviewing existing information about the data and the system that produced them. We also traced a statistically random sample of data to source documents. We determined the data were sufficiently reliable for the purposes of this report.

We conducted our audit work from January 2024 to April 2025. The entity audited was the Office of the Deputy Commissioners for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Sampling Results

To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used to create a sample from a population completely at random. As a result, each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. Our sampling approach for this review ensures our reported projections are statistically sound and defensible.

Table A–1: Population and Sample Size

Description	Beneficiaries
Population Size	26,603
Sample Size	225

For 80 of the 225 records in our sample, SSA incorrectly calculated the total benefits payable under the family maximum provisions. As a result, SSA improperly paid \$1,499,354 in benefits to spouses and children on 80 records based on the family maximum. Projecting our sample results to the population of 26,603 records, we estimate that SSA improperly paid about \$113,995,377 in benefits to children and spouses on 8,392 records.

Table A–2: Incorrect Calculations Under the Family Maximum Provisions

Description	Records	Improper Payments
Sample Results	80	\$1,062,534 ¹
Point Estimate	8,392	\$113,995,377
Projection – Lower Limit	7,146	\$85,430,676
Projection – Upper Limit	9,706	\$142,560,078

Note: All statistical projections are at the 90-percent confidence level.

¹ Our sample identified 80 records with incorrect calculations; however, five (totaling \$436,820) were identified as outliers and removed from the projections.

Appendix B – FAMILY MAXIMUM CALCULATIONS FOR DUALY AND SIMULTANEOUSLY ENTITLED BENEFICIARIES

Dually entitled beneficiaries are entitled to different types of benefits on two or more records. For example, individuals may be entitled to retirement benefits based on their own earnings and benefits to spouses on another record. However, their benefit amounts cannot exceed the highest single benefit to which they are entitled. When individuals are entitled to retirement and benefits to spouses, SSA must only consider the amount of benefits to spouses actually payable when adjusting monthly benefit amounts under the family maximum provisions.¹

If a spouse or child is dually entitled, SSA may need to manually calculate the proper payment amounts for other beneficiaries on the Social Security record. When at least one spouse or child is receiving payment on another record SSA is required to redistribute the remaining balance of the family maximum to other beneficiaries who are on the same record and are not dually entitled.² Employees should reduce the family maximum amount by the unreduced benefits of those dually entitled and pay the remaining portion of the family maximum to the other singly entitled beneficiaries. For example, if a dually entitled spouse receives a \$500 total monthly benefit, \$200 from their spouse's record and \$300 from their own, the \$200 spouse's benefits are deducted from the family or combined family maximum. The remaining portion of the family or combined family maximum is paid to the other singly entitled family members.

Simultaneous entitlement occurs when an individual is entitled to the same type of benefit on two or more records but is paid only on one. According to SSA policy, SSA should only pay benefits to a simultaneously entitled child from one Social Security record and must combine the family maximums from both parents' records if (1) the entitled child will receive a higher benefit based on the combined maximums; (2) the child's benefit will not change but another beneficiary will receive a higher benefit based on the combined maximums; or (3) a higher total payment to the family will apply, even if the person causing the combined family maximum will be paid a lower rate.³ According to SSA policy, when there is no longer at least one simultaneously entitled child on a record, the combined family maximum no longer applies.

¹ *Social Security Act* § 202(q), 42 U.S.C. § 402(q). SSA, *POMS*, RS 00615.020 (December 5, 2023) and RS 00615.768 (December 11, 2023).

² SSA, *POMS*, GN 02603.045 (March 5, 2024).

³ SSA, *POMS*, RS 00615.770 (November 14, 2024).

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY Office of the Commissioner

MEMORANDUM

Date: September 12, 2025

Refer To: TQA-1

To: Michelle L. Anderson
Acting Inspector General

From: Chad Poist
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Follow-up on Dually Entitled Beneficiaries and Family Maximum Provisions" (052301) - INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao, Director of the Audit Liaison Staff, at (410) 966-1711.

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