



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Informing Applicants Who Would Be Subject to Government Pension Offset of Their Options to Delay Filing Benefit Applications

052404 September 2025



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 29, 2025

Refer to: 052404

To: Frank Bisignano
Commissioner

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

Subject: Informing Applicants Who Would Be Subject to Government Pension Offset of Their Options to Delay Filing Benefit Applications

In December 2023, a whistleblower reported Social Security Administration (SSA) employees were not informing applicants about the potential detriment of electing to apply for their spouse's benefits before full retirement age. The Office of Special Counsel referred the allegation to the SSA's Office of the Inspector General for review.

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether SSA informed applicants who were subject to Government Pension Offset of their option to delay their applications for spouse's benefits.

A copy of our final report will be shared with the Office of Special Counsel in response to their request.

If you wish to discuss the final report, please contact me or have your staff contact Jeffrey T. Brown, Deputy Assistant Inspector General for Audit.

Attachment

Informing Applicants Who Would Be Subject to Government Pension Offset of Their Options to Delay Filing Benefit Applications 052404



September 2025

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) informed applicants who were subject to Government Pension Offset (GPO) of their option to delay their applications for spouse's benefits.

Background

Prior to its repeal on January 5, 2025, the GPO generally reduced benefits to spouses who received pensions based on their own work for a government not covered by Social Security.

Individuals may claim retirement or spouse's benefits as early as age 62. When they claim benefits prior to attaining their full retirement age (FRA), their benefits are permanently reduced based on their age. If applicants file for benefits when they attain FRA or later, their benefits are not reduced based on their age.

SSA employees were responsible for explaining the advantages and disadvantages of filing an application so applicants can make informed filing decisions.

We identified two populations from one segment of the Master Beneficiary Record: (1) consisted of 5,620 beneficiaries who were entitled to spouse's benefits before their FRA but their benefits were fully offset by GPO when they filed; and (2) consisted of 571 beneficiaries who may have received some payment after GPO had they delayed filing until their FRA.

Results

We could not determine whether SSA employees informed applicants of the option to delay filing their applications until their FRA because employees did not adequately document the claims as required by policy for:

- 44 of the 50 spouses we sampled from Population 1; and
- 84 of the 100 spouses we sampled from Population 2.

Based on our sample results, we estimate, as of April 2025, approximately 98,920 beneficiaries may have received, on average, \$106 more in their monthly benefits (a total of approximately \$115 million in additional benefits) had they chosen to delay filing their claims until their FRA.

Without documentation, we cannot know whether the beneficiaries understood that their decision to file for benefits may have had an adverse effect on their current or future benefits and still chose to file their applications. We do not assert, and the reader should not infer, that—because beneficiaries may have been entitled to additional spouse's benefits had they delayed filing until their FRA—Agency employees did not properly inform them and they must have unknowingly filed disadvantageous claims.

Conclusion

Since the GPO is repealed, there is no longer a need for SSA employees to explain filing options for individuals who receive government pensions. Therefore, we are not making any recommendations for corrective action.

Agency Comments

In accordance with Government Auditing Standards, we provided SSA with a draft report for review and comment. The Agency did not provide comments for inclusion in our final report.

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ABBREVIATIONS

FRA	Full Retirement Age
GPO	Government Pension Offset
MBR	Master Beneficiary Record
OIG	Office of the Inspector General
OSC	Office of Special Counsel
POMS	Program Operations Manual System
SSA	Social Security Administration
SSFA	<i>Social Security Fairness Act of 2023</i>

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) informed applicants who were subject to the Government Pension Offset (GPO) of their option to delay their applications for spouse's benefits.

BACKGROUND

SSA provides benefits to the spouse of a fully insured number holder when the number holder is entitled to benefits and the spouse meets all factors of entitlement. Divorced spouses may be independently entitled to benefits even if the number holders have not claimed benefits themselves.¹

Individuals may claim retirement or spouse's benefits as early as age 62. When they claim benefits prior to attaining their full retirement age (FRA), their benefits are permanently reduced based on their age.² If claimants file for retirement or spouse's benefits when they attain FRA or later, their benefits are not reduced based on their age.³

The Government Pension Offset

Prior to the enactment of the *Social Security Fairness Act of 2023* on January 5, 2025,⁴ employees were required to determine whether applicants were receiving, or should expect to receive, pensions based on non-covered government earnings.⁵ Generally, benefits were reduced for a spouse who received a pension based on their own work for a Federal, state, or local government not covered by Social Security. The reduction, known as the GPO, equals two-thirds of the government pension.⁶ The law eliminated GPO effective January 2024.

¹ *Social Security Act*, § 202(b) and 42 U.S.C. § 402(b).

² For purposes of retirement or spouse's benefits, FRA—for individuals born before January 2, 1938—is the month they attain age 65. SSA, *POMS*, RS 00615.003, A (May 21, 2004). FRA increases gradually until it reaches age 67 for people born January 2, 1960 or later. (Note that FRA is different for purposes of determining entitlement to widow(er)'s benefits.)

³ 20 C.F.R. § 404.410(a) and (b)

⁴ Pub. L. No. 118-273, 138 Stat. 3232 (2025).

⁵ SSA, *POMS*, GN 02608.200, A (July 28, 2023). GPO only applied to those who receive a government pension based on earnings that were not covered by Social Security, such as teachers, police officers, or firefighters.

⁶ *Social Security Act*, § 202(k)(5) and 42 U.S.C. § 402(k)(5).

Illustration

An individual is eligible for a spouse's benefit. If they claim the spouse's benefit when they attain their FRA, they would be entitled to a monthly benefit \$1,200. If the individual claims the spouse's benefit at age 62, their monthly benefit would be reduced to \$1,000. If the individual also receives a \$1,500 government pension, the GPO is equal to two-thirds of the amount of the pension: \$1,000.

- **If the individual claims the spouse's benefit when they attain FRA:** they would be entitled to a monthly benefit of \$200, which is the full benefit (\$1,200) less the GPO (\$1,000).
- **If the individual claims the spouse's benefit at age 62:** the monthly benefit would be reduced to \$0 since the benefit is reduced to \$1,000 based on the applicant's age and the amount of the GPO that must be applied is also \$1,000.

Informing Applicants of the Advantages and Disadvantages of Filing Claims

SSA required its employees to document that they informed applicants of the advantages and disadvantages of filing. According to SSA's policy:

- "There are situations where filing may adversely affect current or future benefits," including when ". . . the reduced benefit taken before FRA may be offset completely after [GPO], while an unreduced benefit may permit some payment after GPO."⁷
- "The interviewer/adjudicator is responsible for explaining the advantages and disadvantages of filing an application so that the individual can make an informed filing decision. The decision to file belongs solely to the claimant or their proper applicant. After an explanation of the advantages and disadvantages of filing and the filing considerations, if the individual decides to file, the claims interviewer should take an application."⁸
- Effective with claims filed after March 2019 (until the repeal of the GPO), "If an individual makes a filing decision that may adversely affect their current or future benefits, describe the impact to the individual. If the individual decides to file, document the filing decision in the Remarks section of the application with the following language: *'I understand all filing options explained to me. I understand the decision to file for benefits may have an adverse effect on my current or future benefits. However, I choose to file for benefits.'*"⁹

⁷ SSA, POMS, GN 00201.005, C.3 (November 29, 2023).

⁸ SSA, POMS, GN 00201.005, C.1 (November 29, 2023).

⁹ SSA, POMS, GN 00201.005, C.4 (November 29, 2023).

Because the GPO was repealed, SSA employees no longer need to consider whether spouses who receive, or expect to receive, government pensions are filing potentially disadvantageous claims and they are no longer required to discuss filing options with applicants who have pensions.

Whistleblower Allegation

In December 2023, a whistleblower reported SSA employees were not informing applicants about the potential detriment of electing to apply for their spouse's benefits before FRA. The Office of Special Counsel (OSC) referred the allegation to OIG for review. (See Appendix A for OSC's referral of the whistleblower allegation.)

We reviewed 71 cases the employee identified and found 58 appeared to have filed potentially disadvantageous claims. We estimated the recipients would have received an additional \$695,780 had they delayed filing their claims until FRA. We reported the results of our analysis to OSC on July 23, 2024 (see Appendix B for our response to OSC's referral). Based on our findings, OSC requested we conduct a full audit.¹⁰

METHODOLOGY

For our audit, we obtained records from one segment of the Master Beneficiary Record (MBR) and identified two populations.¹¹

- **Population 1** consisted of 5,620 beneficiaries who, as of April 2024, were entitled to spouse's benefits before their FRA but did not receive a payment in their first month of entitlement because their benefits were reduced to \$0 due to GPO. We reviewed a random sample of 50 beneficiaries from this population.
- **Population 2** consisted of 571 beneficiaries from the 5,620 in Population 1 who, as of December 2023, had pension information on the MBR that may have resulted in some payment after GPO had they delayed filing their applications for spouse's benefits up to FRA. We reviewed a random sample of 100 beneficiaries from this population and applied GPO using updated pension information from their pension providers.

For additional information about our scope and methodology, see Appendix D.

¹⁰ OIG, SSA. [*Office of Special Counsel Referral: Spouses Subject to Age Reduction and Government Pension Offset*](#) (OSC File No. DI-24-000154)—Initial Analysis. Memorandum to Martin O'Malley, July 23, 2024.

¹¹ We excluded cases subject to deemed filing from our populations. (For more information about filing requirements, see Appendix C.)

RESULTS OF REVIEW

For the majority of our cases, we could not determine whether SSA employees informed applicants of the option to delay filing their applications until their FRA because employees did not adequately document the claims as required by policy.

We estimate, as of April 2025, approximately 98,920 beneficiaries may have received, on average, \$106 more in their monthly benefits (a total of approximately \$115 million in additional benefits) had they chosen to delay filing their claims until their FRA. (For more information about our sampling results and projections, see Appendix E.)

Without documentation, we cannot know whether the beneficiaries understood that their decision to file for benefits may have had an adverse effect on their current or future benefits and still chose to file their applications. We do not assert, and the reader should not infer, that—because beneficiaries may have been entitled to additional spouse's benefits had they delayed filing until their FRA—Agency employees did not properly inform the applicants of their filing options and that the applicants unknowingly filed disadvantageous claims.

Sample Results

For reasons we could not determine, employees did not adequately document the claims for:

- 44 of the 50 spouses we sampled from Population 1;¹² and
- 84 of the 100 spouses we sampled from Population 2.¹³

Beneficiaries Who Would Have Been Entitled to Additional Benefits Had They Delayed Filing Their Claims

We obtained updated pension information from the pension providers for 84 of the 100 spouses in Population 2 to determine whether additional benefits would have been payable had they delayed filing until their FRA. As of December 2023 (the last month in which GPO was applicable), had they chosen to delay filing their claims for spouse's benefits until their FRA:

- 44 spouses would have received a total \$310,606 in additional benefits because the amount of the GPO did not exceed their unreduced benefit amounts.
- 40 would not have received additional benefits because the amount of the GPO exceeded their unreduced benefit amounts.

¹² The remaining six were no longer eligible for spouse's benefits or did not file disadvantageous applications because the GPO was repealed.

¹³ For the remaining 16 beneficiaries, 9 filed potentially disadvantageous applications after SSA employees informed them of their filing options, and 7 filed applications that were not disadvantageous.

Example

In July 2008, an individual had attained age 62 and applied for spouse's benefits. Because she filed her claim before her FRA, she was entitled to a reduced spouse's benefit of \$654. She received a \$1,163 monthly pension from the California State Teacher's Retirement System. The amount of the GPO was \$775 (two-thirds of the pension). Because the GPO exceeded her reduced spouse's benefit, her monthly benefit was reduced to \$0.

There was no documentation in her file that showed the SSA employee informed her about the option to delay filing her application until her FRA to avoid a permanent reduction based on her age and potentially be entitled to a higher spouse's benefit later.

Had she chosen to delay filing until she attained her FRA in June 2012, the unreduced spouse's benefit would have exceeded the amount of the GPO by \$180, and she would have received \$26,418 from June 2012 to December 2023. Instead, she did not receive any benefits during that period because she chose to file before her FRA and her benefits were reduced to \$0 because of GPO.

We could not determine whether SSA employees informed beneficiaries of their option to delay filing their applications until their FRA because there was no, or inadequate, documentation in the claims. Without documentation, we cannot know whether the beneficiaries understood that their decision to file for benefits before their FRA may have had an adverse effect on their current or future benefits and still chose to file their applications.

Beneficiaries Who, Due to the Repeal of the Government Pension Offset, Would Have Been Entitled to Additional Benefits Had They Delayed Filing Their Claims

The GPO was applicable at the time the beneficiaries in our review filed their claims. Some of these beneficiaries may not have considered their decision to file for spouse's benefits before their FRA to be disadvantageous if their government pensions were high enough to reduce their benefit to \$0 even if they delayed filing their claims at their FRA.

However, as a consequence of the repeal of the GPO, some of these beneficiaries would have been entitled to additional spouse's benefits had they chosen to delay filing their claims until their FRA. This is because, when individuals claim benefits prior to attaining their FRA, their benefits are permanently reduced based on their age. However, if individuals file for benefits when they attain FRA or later, their benefits are not reduced based on their age.

Had 44 of the 50 spouses in Population 1 chosen to delay filing their applications until their FRA, they would each have received an average additional \$106 monthly payment (a total \$67,914 in additional benefits between January 2024 through March 2025).¹⁴

¹⁴ There were four beneficiaries who were no longer receiving spouse's monthly payments because their benefits were converted to widow(er)'s benefits and they were not included in the additional average monthly payment calculation.

Example

In November 2008, an individual had attained age 62 and applied for reduced spouse's benefits. She was entitled to a \$135 monthly spouse's benefit, but the benefit was reduced to \$0 because of the GPO. She received a \$3,820 monthly pension from the Illinois Teacher's Retirement System, and the amount of the offset, \$2,546 (two-thirds of the pension), exceeded the \$135 reduced spouse's benefit.

According to SSA's policy, the SSA employee should have informed her of the option to delay filing her application until her FRA and avoid the permanent reduction for early filing; however, we found no evidence the employee informed her of the option.

Prior to the repeal of the GPO, her benefit would have been reduced to \$0 regardless of whether she chose to (a) file for a reduced benefit before her FRA or (b) delay filing for an unreduced benefit at FRA, October 2012.

With the repeal of the GPO effective January 2024, the beneficiary was entitled to a \$380 monthly reduced spouse's benefit. By filing her claim before her FRA, the amount of the spouse's benefit was permanently reduced. However, had she chosen to delay filing until FRA, her benefit would not have been reduced, and she would have received a \$541 monthly benefit (a 42-percent increase), an additional \$161 each month.

SSA will not re-open the claims for the beneficiaries in our review because of the Agency's administrative finality rules and, while these individuals may be eligible to withdraw their claims and refile, it may not be advantageous for them to do so.¹⁵ Their benefits will continue to be permanently reduced because they chose to file their claims before their FRA, even though their benefits were reduced to \$0 due to the GPO before its repeal. (See Appendix C for additional information about SSA's policies regarding administrative finality and withdrawing and re-filing claims.)

CONCLUSION

Because the GPO was repealed, there is no longer a need for SSA to explain filing options for individuals who receive government pensions and document applicants' filing decisions. Therefore, we are not making any recommendations for corrective action.

AGENCY COMMENTS

In accordance with Government Auditing Standards, we provided SSA with a draft report for review and comment. The Agency did not provide comments for inclusion in our final report.

¹⁵ Administrative finality is the concept that, when a determination or decision is rendered, it becomes final and binding, unless it is appealed or reopened. Once a determination or decision becomes final, it can only be reopened and revised for certain reasons and within certain time periods pursuant to SSA's administrative finality policy.

APPENDICES

Appendix A – WHISTLEBLOWER ALLEGATION



The Special Counsel

U.S. OFFICE OF SPECIAL COUNSEL
1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

December 19, 2023

The Honorable Martin O'Malley
Commissioner
Social Security Administration
6401 Security Boulevard, Suite 300
Baltimore, MD 21235

Re: OSC File No. DI-24-000154

Dear Mr. Commissioner:

I am referring to you for investigation a whistleblower disclosure that employees at the Social Security Administration (SSA) engaged in conduct that may constitute a violation of law, rule, or regulation and gross mismanagement. [REDACTED]

[REDACTED] disclosed that SSA Claims Examiners are not informing claimants about the potential detriment of electing to apply for spousal benefits prior to full retirement age.¹ A report of your investigation on this allegation and any related matters is due to the Office of Special Counsel (OSC) on February 19, 2023.

According to [REDACTED] beneficiaries who receive certain types of government pensions may not also receive a full spousal benefit. However, if the full spousal benefit would exceed two thirds of the pension annuity, the claimant is entitled to receive a partial spousal benefit in the amount that exceeds two thirds of the pension.² [REDACTED] explained that as some government pensions do not increase over time and spousal benefits do increase over time, a claimant who may not initially receive a spousal benefit may receive a spousal benefit had he or she applied for the benefit closer to full retirement age. [REDACTED] added that there is a small category of easily identifiable claimants for whom a delay in applying for the spousal benefit could result in the receipt of a spousal benefit. However, these claimants are forever precluded from entitlement to spousal benefits once their claims are processed because SSA claims Examiners do not currently advise this class of beneficiaries to postpone their applications notwithstanding their duty to advise them.³

¹ Currently, full retirement age is 66 years and 2 months for people born in 1955. The full retirement age will gradually rise to 67 for those born in 1960 or later.

² This is known as the government pension offset, or the "GPO."

³ SSA, POMS, GN 00201.005, C (March 26, 2019).

The Honorable Martin O'Malley
December 19, 2023
Page 2

██████████ reported this matter to management, but to date, no corrective action has been taken, and to ██████████ knowledge, the agency has not disseminated this information to the public. As a result, ██████████ believes multiple claimants have suffered significant financial loss.

Pursuant to my authority under 5 U.S.C. § 1213(c), I have concluded that there is a substantial likelihood that the information provided to OSC discloses gross mismanagement and a violation of law, rule, or regulation. Please note that specific allegations and references to specific violations of law, rule or regulation are not intended to be exclusive. If, in the course of your investigation, you discover additional violations, please include your findings on these additional matters in the report to OSC. As previously noted, your agency must conduct an investigation of these matters and produce a report, which must be reviewed and signed by you. Per statutory requirements, I will review the report for sufficiency and reasonableness before sending copies of the agency report along with the whistleblower's comments and any comments or recommendations I may have, to the President and congressional oversight committees and making these documents publicly available.

Additional important requirements and guidance on the agency report are included in the attached Appendix, which can also be accessed at <https://osc.gov/Pages/DOW.aspx>. If your investigators have questions regarding the statutory process or the report required under section 1213, please contact Catherine A. McMullen, Chief, Disclosure Unit, at (202) 804-7088 for assistance. I am also available for any questions you may have.

Sincerely,



Karen Gorman
Acting Special Counsel

Enclosure

cc: Gale S. Ennis, Inspector General

APPENDIX
AGENCY REPORTS UNDER 5 U.S.C. § 1213

GUIDANCE ON 1213 REPORT

- OSC requires that your investigators interview the whistleblower at the beginning of the agency investigation when the whistleblower consents to the disclosure of his or her name.
- Should the agency head delegate the authority to review and sign the report, the delegation must be specifically stated and include the authority to take the actions necessary under 5 U.S.C. § 1213(d)(5).
- OSC will consider extension requests in 60-day increments when an agency evidences that it is conducting a good faith investigation that will require more time to complete.
- Identify agency employees by position title in the report and attach a key identifying the employees by both name and position. The key identifying employees will be used by OSC in its review and evaluation of the report. OSC will place the report without the employee identification key in its public file.
- Do not include in the report personally identifiable information, such as social security numbers, home addresses and telephone numbers, personal e-mails, dates and places of birth, and personal financial information.
- Include information about actual or projected financial savings as a result of the investigation as well as any policy changes related to the financial savings.
- Reports previously provided to OSC may be reviewed through OSC's public file, which is available here: <https://osc.gov/PublicFiles>. Please refer to our file number in any correspondence on this matter.

RETALIATION AGAINST WHISTLEBLOWERS

In some cases, whistleblowers who have made disclosures to OSC that are referred for investigation pursuant to 5 U.S.C. § 1213 also allege retaliation for whistleblowing once the agency is on notice of their allegations. The Special Counsel strongly recommends the agency take all appropriate measures to protect individuals from retaliation and other prohibited personnel practices.

EXCEPTIONS TO PUBLIC FILE REQUIREMENT

OSC will place a copy of the agency report in its public file unless it is classified or prohibited from release by law or by Executive Order requiring that information be kept secret in the interest of national defense or the conduct of foreign affairs. 5 U.S.C. § 1219(a).

EVIDENCE OF CRIMINAL CONDUCT

If the agency discovers evidence of a criminal violation during the course of its investigation and refers the evidence to the Attorney General, the agency must notify the Office of Personnel Management and the Office of Management and Budget. 5 U.S.C. § 1213(f). In such cases, the agency must still submit its report to OSC, but OSC must not share the report with the whistleblower or make it publicly available. See 5 U.S.C. §§ 1213(f), 1219(a)(1).

Appendix B – OIG RESPONSE TO WHISTLEBLOWER ALLEGATION



Office of the Inspector General SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: July 23, 2024

Refer To: 052407

To: Martin O'Malley
Commissioner

From: Michelle Anderson *Michelle L. Anderson*
Assistant Inspector General for Audit
as Acting Inspector General

Re: Office of Special Counsel Referral: Spouses Subject to Age Reduction and Government Pension Offset (OSC File No. DI-24-000154)—Initial Analysis

On December 19, 2023, the Office of Special Counsel (OSC) referred to you a whistleblower disclosure in which a Social Security Administration (SSA) employee alleged that, "SSA Claims Examiners are not informing claimants about the potential detriment of electing to apply for spousal benefits prior to full retirement age." The Agency referred that allegation to the Office of the Inspector General (OIG) for review.

The attached letter, which we sent OSC on July 22, 2024, summarizes the results of the OIG's analysis of the cases the SSA employee provided us. At OSC's request, we are planning an audit to determine whether additional claimants—beyond those the SSA employee identified—were ineligible for spouse's benefits when they filed their claims because of GPO but would have been eligible for benefits had they delayed filing their claims until they attained FRA or later. We will issue a start notice to the Agency before we initiate the audit.

If you have any questions, please contact me or have your staff contact Jeffrey Brown, Deputy Assistant Inspector General for Audit.

Attachment



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

July 22, 2024

Catherine McMullen, Chief
Disclosure Unit
Office of Special Counsel
1730 M Street, N.W., Suite 218
Washington, D.C., 20036-4505

Dear Ms. McMullen,

In response to your referral, the Office of the Inspector General (OIG) determined whether the 71 claimants identified by a Social Security Administration (SSA) employee were ineligible for spouse's benefits when they filed their claims because of Government Pension Offset (GPO), but would have been eligible for benefits at, or after, full retirement age (FRA) had they delayed filing their claims. This letter summarizes the results of our analysis.

BACKGROUND

SSA provides benefits to the spouse of a fully insured number holder when the number holder is entitled to benefits and the spouse is over the age of 62. Divorced spouses may be independently entitled to benefits even if the number holders have not claimed benefits themselves.

Individuals may claim retirement or spouse's benefits as early as age 62. When they claim benefits prior to attaining their FRA, their benefits are reduced based on their age.¹ If claimants file for benefits when they attain FRA or later, their benefits are not reduced based on their age.

Generally, beneficiaries' spouse's benefits are reduced when those beneficiaries receive pensions based on their own work for a Federal, State, or local government. The reduction—known as GPO—is equal to two-thirds of the government pension.²

¹ For purposes of retirement or spouse's benefits, FRA—for individuals born before January 2, 1938—is the month they attain age 65. SSA, *POMS*, RS 00615.003 (May 21, 2004). FRA increases gradually until it reaches age 67 for people born January 2, 1960 or later. (Note that FRA is different for purposes of determining entitlement to widow(er)'s benefits.)

² SSA, *POMS*, GN 02608.100 (June 23, 2022).

Example

Assume a claimant is eligible for a spouse's benefit. If they claim the spouse's benefit when they attain their FRA, they would be entitled to a monthly benefit \$1,200. If the individual claims the spouse's benefit at age 62, their monthly benefit would be reduced to \$1,000. If the claimant also receives a \$1,500 government pension, the GPO is equal to two-thirds of the amount of the pension: \$1,000.

- ✓ **If the individual claims the spouse's benefit when they attain FRA:** they would be entitled to a monthly benefit of \$200, which is the full benefit (\$1,200) less the GPO (\$1,000).
- ✓ **If the individual claims the spouse's benefit at age 62:** the monthly benefit would be reduced to \$0 since the benefit is reduced to \$1,000 based on the claimant's age and the amount of the GPO that must be applied is also \$1,000. The claimant could withdraw their application and reapply for spouse's benefits at FRA to receive a \$200 monthly benefit.

SSA Policy

Since September 2003, SSA has required its employees to document that they informed the claimant of the advantages and disadvantages of filing. According to SSA's policy:

- ✓ "There are situations where filing may adversely affect current or future benefits," including when "... the reduced benefit taken before FRA may be offset completely after [GPO], while an unreduced benefit may permit some payment after GPO."³
- ✓ "The interviewer/adjudicator is responsible for explaining the advantages and disadvantages of filing an application so that the individual can make an informed filing decision. The decision to file belongs solely to the claimant or their proper applicant. After an explanation of the advantages and disadvantages of filing and the filing considerations, if the individual decides to file, the claims interviewer should take an application."⁴
- ✓ Effective with claims filed in March 2019, "If an individual makes a filing decision that may adversely affect their current or future benefits, describe the impact to the individual. If the individual decides to file, document the filing decision in the Remarks section of the application with the following language: '*I understand all filing options explained to me. I understand the decision to file for benefits may have an adverse effect on my current or future benefits. However, I choose to file for benefits.*'"⁵

³ SSA, POMS, GN 00201.005 C3 (November 29, 2023).

⁴ SSA, POMS, GN 00201.005 C1 (November 29, 2023).

⁵ SSA, POMS, GN 00201.005 C4. (November 29, 2023)

Filing Requirements for Dually Entitled Beneficiaries

Some individuals are eligible for retirement benefits based on their own earnings and additional benefits based on their spouses' earnings. When individuals who were born before January 2, 1954 file claims for retirement benefits before their FRA and they are also eligible for a spouse's benefit in the same month, they are deemed to have also filed for spouse's benefits.

On November 2, 2015, Section 831(a) of the *Bipartisan Budget Act of 2015* changed the policy for deemed filing for dually entitled claimants born January 2, 1954 or later. When these individuals file claims for retirement benefits (whether before or after their FRA), they are deemed to have also filed for spouse's benefits whenever they become eligible for those benefits (whether in the same month of entitlement to retirement benefits or in a later month).

This deemed filing provision applies even if the spouse's benefit is fully reduced because of GPO.⁶ Therefore, individuals who are subject to the deemed filing provision file retirement claims before their FRA, they cannot opt to restrict their applications to just retirement benefits and delay filing for the spouse's benefits until they attain their FRA.⁷

ALLEGATION

According to your letter dated December 19, 2023 (see Attachment), an SSA employee alleged that "SSA Claims Examiners are not informing claimants about the potential detriment of electing to apply for spousal benefits prior to full retirement age."

SCOPE AND METHODOLOGY

The employee provided the OIG with information on 71 claimants from whom—the employee believed—SSA accepted and adjudicated claims for spouse's benefits even though the claims were disadvantageous to the claimants. The employee alleged these beneficiaries were not eligible for spouse's benefits when they filed because of GPO, but may have been eligible for benefits at, or after, FRA had they delayed filing their claims.

To accomplish our objective, we obtained and reviewed the applicable sections of the *Social Security Act* and SSA's policies. We also reviewed information in SSA's Master Beneficiary Record, Modernized Claims System, and Evidence Portal for the 71 claimants.

⁶ SSA, POMS, GN 00204.035 (July 18, 2023).

⁷ SSA, POMS GN 00204.035 (July 18, 2023).

RESULTS OF REVIEW

Our analysis of the 71 claimants found:

- ✓ 58 (82 percent) appeared to have filed—and SSA adjudicated—disadvantageous claims for spouse's benefits;
- ✓ 11 (15 percent) apparently would not have received additional benefits had they delayed filing their claims because their unreduced spouse's benefits at FRA would not have exceeded the amount of GPO; and
- ✓ 2 (3 percent) were not eligible to delay filing their claims for spouse's benefits because they also claimed retirement benefits and were subject to the deemed filing provision.

Claimants For Whom It Appeared SSA Adjudicated Disadvantageous Claims

We estimate the 58 claimants for whom SSA processed disadvantageous claims would have received an additional \$695,780 had they delayed filing their claims until their FRA.⁸ As of May 2024, these spouses would have been entitled to additional benefits for an average of 101 months.

As of May 2024, 42 of these claimants would still be eligible for additional monthly spouse's benefits while the remaining 16 were entitled to widow's benefits or were deceased.

We reviewed SSA's electronic records for these 58 claimants and found no evidence that SSA employees:

- ✓ explained the advantages and disadvantages of filing an application;
- ✓ informed the claimants that their filing decision may adversely affect their current or future benefits; and
- ✓ documented the claimants' filing decision in the Remarks section of the application, as required.⁹

Without evidence, we could not determine whether SSA employees followed SSA's policy.

⁸ These individuals claimed the spouses' benefits from December 1994 to December 2022.

⁹ For eight claimants, SSA employees documented that the claimants' benefits would be reduced to \$0 because of GPO; however, the employees did not indicate whether they discussed with the claimants their filing options. Four of these claimants filed their claims before September 2003, when SSA instituted the policy requiring its employees to discuss with claimants their filing options.

CAVEATS

Our analysis was based on pension information SSA recorded in its systems at the time the claimants filed their claims for spouse's benefits. Some government pensions increase over time; for example, based on cost-of-living increases. Due to our time constraints, we did not verify whether the claimants' pension amounts, as reflected in SSA's systems, were accurate. To the extent that data may be inaccurate, our conclusions may be inaccurate as well.

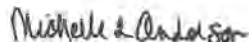
Without evidence, we could not determine whether SSA employees advised the claimants that filing the applications may adversely affect their current or future benefits and the claimants chose to file their applications anyway. It is possible that employees did so but failed to document those discussions and the claimants' acknowledgments.

CONCLUSION

We plan to refer to SSA our analysis for the 58 claimants and ask that the Agency verify our conclusions and determine whether the claimants should be notified that they may withdraw their prior claims for spouse's benefits and file new claims.

At OSC's request, we are planning an audit to determine whether additional claimants—beyond those identified by the SSA employee—were ineligible for spouse's benefits when they filed their claims because of GPO but would have been eligible for benefits had they delayed filing their claims until they attained FRA or later.

Sincerely,



Michelle Anderson
Assistant Inspector General for Audit
as Acting Inspector General

Enclosure

Appendix C – WITHDRAWAL, RE-APPLICATION, REOPENING SPOUSES' CLAIMS, DEEMED FILING

Withdrawal and Re-application

Beneficiaries who filed a potentially disadvantageous claim have the option to withdraw and reapply for spouse's benefits, provided certain conditions are met.¹ Beneficiaries who opt to withdraw their claim for spouse's benefits must repay the benefits they received. These individuals may then be eligible to file a new claim for spouse's benefits. The beneficiary may receive benefits for up to 6 months immediately before the month in which they file the claim but not before the claimant's full retirement age.²

Before the *Social Security Fairness Act* was enacted,³ spouses who filed a potentially disadvantageous claim could withdraw or refile as a way to receive higher monthly benefits. In our first example before the repeal of government pension offset (GPO), the spouse had not received any benefits. Had she withdrawn her claim and refiled before the repeal of GPO, she would have collected a 6-month retroactive payment of \$1,893 and received \$350 each month thereafter.

After the repeal of GPO, it would be unfavorable in the short term for these spouses to withdraw and refile to receive a higher benefit because they would need to repay any reduced benefits received and entitlement is limited to 6-month retroactivity. In our second example after the repeal of GPO, in January 2025, she became entitled to a reduced monthly benefit of \$380, retroactive to January 2024. She received a total of \$5,350 in benefits for January 2024 through February 2025. In March, she considers withdrawing her original claim and refiling to receive a higher, permanently unreduced spouse's benefit of \$541 per month.⁴ To do so, she must repay the \$5,350 in benefits she already received. When she refiles, she can only receive up to a 6-month retroactive payment at a higher rate, totaling \$3,285. This results in a net loss of \$2,065, making this financially unfavorable in the short term.

Re-opening Spouses' Claims

Under SSA's re-opening regulations, SSA may re-open incorrect determinations within 12 months of the date of the notice of the initial determination, for any reason or within four years from the date of the initial determination notice for good cause.⁵ Good cause exists if there is (1) new and material evidence; (2) clerical error; or (3) error on the face of the evidence.⁶ SSA's policy states that "error on the Face of the Evidence exists when it is absolutely clear that the determination or decision was incorrect based on the evidence that

¹ 20 C.F.R. § 404.640(b).

² SSA, *POMS*, GN 00204.030 (July 14, 2023).

³ Pub. L. No. 118-273, 138 Stat. 3232 (2025).

⁴ Benefits may increase annually based on the cost-of-living adjustments.

⁵ 20 C.F.R. § 404.988(a) and (b).

⁶ 20 C.F.R. § 404.989(a). SSA, *POMS*, GN 04010.020, A (May 7, 2025) and GN 04020.080 (June 14, 2023).

...[SSA] had, anywhere within SSA's records, when it made the determination or decision.”⁷ SSA stated the beneficiaries in our sample will not find good cause to re-open a claim because the only reason for reopening is a change of legal interpretation or administrative ruling upon which the determination was made. SSA may re-open a determination at any time if the determination was fully or partially unfavorable to a party, but only to correct clerical error or an error that appears on the face of the evidence that was considered when the determination or decision was made.⁸

SSA staff agreed there was no, or inadequate, documentation in the claims related to the beneficiaries’ decisions to file their claims, even though doing so was potentially disadvantageous to them. However, the Agency will not re-open these claims for spouse’s benefits because the “error on the face of the evidence” requirement is not met. Because there is a lack of documentation, SSA presumes employees properly informed the claimants before they accepted claimants’ applications. Because it was not absolutely clear the determinations were incorrect based on the evidence SSA had when it adjudicated the claims, Agency staff stated SSA cannot re-open these prior decisions because of the Agency’s administrative finality rules.

Filing Requirements for Dually Entitled Beneficiaries

Some individuals are eligible for retirement benefits based on their own earnings and additional benefits based on their spouses’ earnings. When individuals who were born before January 2, 1954 file claims for retirement benefits before their FRA and they are also eligible for a spouse’s benefit in the same month, they are deemed to have also filed for spouse’s benefits.

A November 2015 law changed the policy for deemed filing for dually entitled claimants born January 2, 1954 or later.⁹ When these individuals file claims for retirement benefits (whether before or after their FRA), they are deemed to have also filed for spouse’s benefits whenever they become eligible for those benefits (whether in the same month of entitlement to retirement benefits or in a later month).

This deemed filing provision applies even if the spouse’s benefit is fully reduced because of GPO.¹⁰ Therefore, individuals who are subject to the deemed filing provision file retirement claims before their FRA, they cannot opt to restrict their applications to just retirement benefits and delay filing for the spouse’s benefits until they attain their FRA.

Note: We excluded from our review beneficiaries who were subject to the deemed filing requirements.

⁷ SSA, *POMS*, GN 04010.020, A (May 7, 2025).

⁸ 20 C.F.R. § 404.988(c)(8).

⁹ *Bipartisan Budget Act of 2015*, Pub. L. No 114-74, § 831(a), 129 Stat. 584, 611 (2015).

¹⁰ SSA, *POMS*, GN 00204.035 (July 18, 2023).

Appendix D – SCOPE AND METHODOLOGY

From one segment of the Social Security Administration's (SSA) Master Beneficiary Record (MBR) we identified two populations.

Population 1 consisted of 5,620 beneficiaries who, as of April 2024, were entitled to spouse's benefits before their full retirement age (FRA), were subject to government pension offset (GPO), and did not receive a payment in their first month of entitlement. We reviewed a random sample of 50 beneficiaries from this population.

Population 2 consisted of 571 beneficiaries from Population 1 who, as of December 2023 (one month prior to the effective date of the repeal of GPO), had pension information on the MBR that may have resulted in some payment after GPO had they delayed filing their applications for spouse's benefits up to FRA. We reviewed a random sample of 100 beneficiaries from this population and applied GPO using updated pension information from their pension providers. To accomplish our objective, we

- reviewed the applicable sections of the *Social Security Act*, United States Code, the Code of Federal Regulations, Public Law, and SSA's *Program Operations Manual System*;
- interviewed SSA employees from the Offices of Operations and Policy;
- reviewed queries from the MBR, Modernized Claims System, Evidence Portal, Informational/Certified Earnings Records System, and Payment History Update System to determine whether the filing may have adversely affected future benefits and the claims included supporting documentation showing employees informed spouses about their option to delay filing for benefits, but they still chose to file;
- contacted 100 beneficiaries from population 2 and their pension providers via letter and telephone to obtain updated pension information; and
- determined whether beneficiaries would have been eligible for additional benefits payable had they delayed applying for spouse's benefits until FRA.

We assessed the reliability of computer-processed data by (1) performing electronic testing, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing Agency officials knowledgeable about the data. In addition, we traced a statistically random sample of data to source documents. We determined the data were sufficiently reliable for the purposes of responding to our objectives.

The principal entity audited was SSA's Office of Operations. 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 conducted our review between October 2024 and July 2025. 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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix E – SAMPLING RESULTS AND PROJECTIONS

We obtained our populations as detailed in Appendix D. To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used for creating a sample from a sampling frame completely at random. Each sample item had an equal chance of selection, and the selection of one item had no impact on the selection of other items. This guaranteed we chose a sample that represented the sampling frame, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire sampling frame under review. Our sampling approach for this review ensures the reported projections are statistically sound and defensible.

The *Social Security Fairness Act of 2023* (SSFA) removed government pension offset (GPO) from all benefits effective January 2024.¹ Before SSFA was enacted, 44 of the 100 beneficiaries in our sample from population 2 would have received \$310,606 in additional benefits had they delayed filing their applications until their full retirement age (FRA) after they applied GPO. Projecting these results to the population and applying to all 20 segments of the Master Beneficiary Record (MBR), we estimate 5,020 beneficiaries would have received approximately \$18.7 million in additional benefits after GPO was applied.

After SSFA was enacted, 44 of the 50 beneficiaries in our sample from population 1 would have received \$67,914 in additional benefits had they delayed filing their applications until their FRA. Projecting these results to the population and applying to all 20 segments of the MBR, we estimate 98,920 beneficiaries would have received approximately \$115.2 million of additional retroactive benefits between January 2024 to March 2025. The following tables provide the details of our sample results and statistical projections.

Table E-1: Population and Sample Size

Description	Beneficiaries (Population 1)	Beneficiaries (Population 2)
Population Size	5,620	571
Sample Size	50	100

Table E-2: Before SSFA, Benefits Payable to Spouses Who Delayed Their Application

Description	Beneficiaries (Population 2)	Payments
Sample Results	44	\$163,588 ²
Point Estimate	251	\$934,085
Projection – Lower Limit	208	\$603,869
Projection – Upper Limit	296	\$1,264,300

¹ Pub. L. No. 118-273, 138 Stat. 3232 (2025).

² We removed 5 errors totaling \$147,018 from our projections because they were outliers.

Description	Beneficiaries (Population 2)	Payments
All 20 Segments	5,020	\$18,681,700

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

Table E–3: After SSFA, Benefits Payable to Spouses Who Delayed Their Application

Description	Beneficiaries (Population 1)	Payments
Sample Results	44	\$51,235 ³
Point Estimate	4,946	\$5,758,814
Projection – Lower Limit	4,369	\$4,598,240
Projection – Upper Limit	5,317	\$6,919,388
All 20 Segments	98,920	\$115,176,280

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

³ We removed 3 errors totaling \$16,679 from our projections because they were outliers.



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