

Supplemental Security Income Underpayments

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) paid Supplemental Security Income (SSI) recipients the underpayments they were due.

Background

An underpayment occurs when (1) no payment is made for a period when payment was due; (2) the payment made was less than the amount owed for that period; or (3) a correct payment was issued, but the recipient died before they cashed the check.

When SSA identifies an underpayment of \$1 or more, it issues the underpayment to the recipient, or an eligible survivor if the recipient is deceased, after it offsets any outstanding overpayments, Interim Assistance reimbursements, and authorized representative fees.

For large underpayments, employees must conduct and document a pre-payment review before they release a payment.

We identified 2 populations: Population 1 comprised 2.5 million underpayments pending on the Supplemental Security Record as of September 2024 and Population 2 comprised 2.4 million underpayments SSA paid between July 31, 2021 and July 31, 2024. We reviewed 2 samples totaling 260 underpayments (160 from Population 1 and 100 from Population 2).

Results

Of the 160 pending underpayments in Population 1, SSA paid 80 SSI recipients (50 percent) the underpayments they were due when required. However, SSA employees did not follow policy to ensure the SSA paid 69 recipients (43 percent) the underpayments they were due. The remaining 11 (7 percent) were incorrect underpayments that should be removed from the records.

Additionally, of the 80 underpayments for deceased recipients in Population 1, we identified 47 underpayments, totaling \$22,861, that remained on SSA's records even though they were not payable to anyone.

Of the 100 underpayments in Population 2, SSA paid 88 SSI recipients (88 percent) the underpayments they were due and conducted pre-payment reviews for them when required. We did not find evidence SSA employees followed policy and conducted pre-payment reviews for the remaining 12 (12 percent) underpayments, as required.

Of the 2.5 million underpayments that were pending as of September 2024, we estimate SSA did not pay 1.1 million underpayments, totaling about \$291 million, that were owed to SSI recipients.

Conclusion

When SSA employees do not take proper action to ensure recipients receive the underpayments they are due, those recipients could experience significant financial hardship.

Recommendations

We made three recommendations for SSA to ensure underpayment errors are identified and resolved and to implement corrective actions that prevent employee errors and ensure required pre-payment reviews are properly documented.

SSA agreed with all of our recommendations.