

Processing Old-Age, Survivors, and Disability Insurance Overpayments

072301



September 2025

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) followed policy and used available tools when it processed Old-Age, Survivors, and Disability Insurance (OASDI) overpayments.

Background

When SSA pays an OASDI beneficiary more than they are due for a given period, it has made an overpayment. SSA records these overpayments and tracks recovery actions in the Recovery of Overpayments, Accounting and Reporting (ROAR) system. SSA policy is to send a written notice to the individual who is liable for repayment and provide a due-process period for the individual to request a reconsideration, a waiver, a lower rate of withholding or installment payments, or an explanation of the overpayment. If an individual makes a due-process request, SSA will delay recovery efforts until it decides on the request. SSA's required method of recovery is generally to withhold benefits but it also uses such tools as direct billing, a negotiated repayment plan, withholding other Federal payments, or garnishing wages.

We reviewed a sample of 200 overpayments from a population of over 49,000 overpayments that SSA established on the ROAR from 1 segment of the Master Beneficiary Record from October 1, 2021, to September 30, 2023. Because 1 segment is representative all 20 segments, we estimate there were 989,680 overpayments in total.

Results

Based on our sample results, we estimate SSA generally followed policy and used available tools when it processed 806,580 overpayments (81.5 percent). However, we estimate SSA incorrectly processed, or could have processed sooner, approximately 183,100 overpayments (18.5 percent) totaling over \$612 million.

Erroneously established and incorrectly calculated overpayments result in an undue burden on both the Agency and the public. Individuals assessed an overpayment incorrectly or for an incorrect amount may either (1) pay more than they owe or (2) have to request a reconsideration or use additional methods of overpayment relief that may be available, such as a waiver. In fact, overpaid individuals who request a waiver or reconsideration may prompt SSA to correct errors Agency systems or employees make in establishing or calculating overpayments. However, SSA employees must then process these requests, and the Agency does not have timeliness standards for processing them. Prolonged decisions on these requests or under-calculated overpayments can delay or prevent recovery, resulting in a negative impact on SSA's trust funds.

We also estimate SSA overstated by approximately \$904 million the overpayments the Agency recovered during FYs 2022 and 2023 because the Agency's systems reflected overpayments as recovered by benefit withholding when they were not. SSA's overstatement of recovered overpayment amounts may lead to misunderstandings about the agency's performance. If SSA does not address the underlying issues that contribute to this misreporting, it risks continuing to provide inaccurate information to the Administration, Congress, and public.

It is important that SSA calculate and process overpayments effectively and accurately reports overpayment information to stakeholders.

Recommendations

We made five recommendations for SSA to take appropriate corrective action on errors our audit identified and establish controls and update systems, policy, and procedures to prevent future errors. SSA agreed with all our recommendations.