



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

Management Advisory Report

Controls over Employees'
Premium Pay

152404 September 2024



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 27, 2024

Refer to: 152404

To: Martin O'Malley
Commissioner

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

Subject: Controls over Employees' Premium Pay

The attached final report presents the results of the Office of Audit's review. The objectives were to determine whether—for a select group of employees—the Social Security Administration: (1) complied with its policies and procedures over employees' premium pay hours and (2) paid employees the proper premium pay amounts.

This report does not include formal recommendations for corrective action, but it does address risk related to premium pay we believe warrants the Agency's attention. If you wish to discuss the final report, please contact Jeffrey T. Brown, Deputy Assistant Inspector General for Audit.

Attachment

Controls over Employees' Premium Pay 152404



September 2024

Office of Audit Report Summary

Objectives

To determine whether—for a select group of employees—the Social Security Administration (SSA): (1) complied with its policies and procedures over employees' premium pay hours and (2) paid employees the proper premium pay amounts.

Background

SSA reported in its Fiscal Year 2023 *Agency Financial Report* that it has approximately 61,000 Federal employees. Under certain circumstances, SSA offers employees the opportunity to earn premium pay hours (such as overtime). Premium pay is additional compensation provided to employees who work overtime hours. SSA's *Personnel Policy Manual* (PPM) describes how and when employees earn premium pay.

We focused our review on 104 randomly sampled employees who were paid for premium pay hours in 2019 and/or 2020. In addition, we reviewed the 21 employees who worked the highest number of overtime hours in a single year.

Due to how we selected employees for our review, we cannot conclude—and the reader should not infer—that our observations are indicative of all SSA employees who were paid overtime during this time period.

Results

For the employees we reviewed, SSA did not consistently comply with its policies and procedures over the approval of premium pay as stated in the PPM; however, they consistently paid those employees the correct premium pay amounts.

Advance Overtime Approval. SSA paid 29 (23 percent) of the 125 employees we reviewed, for 1,227 overtime hours that supervisors did not approve in advance and in writing using the timekeeping system. SSA asserted timesheet approvals in the timekeeping system satisfied the approval requirement, but these approvals were made after most employees had performed the overtime work.

Maximum Overtime Amount. SSA's PPM states that employees should work no more than 18 hours of overtime a week. The PPM further states the amount should be less than 18 hours. Although presented in policy under the heading "Maximum Overtime Amount," SSA informed us it is only guidance, not a strict limit. SSA does not have policy that defines what should be done when an employee works more than 18 hours of overtime in 1 week. We found SSA paid 3,532 employees for more than 18 hours of overtime in at least 1 week from 2017 through 2022. SSA paid 21 of these employees for over 1,125 overtime hours in 1 year. For example, this resulted in one employee increasing a base salary of \$88,303 by earning an additional \$94,907 in overtime in 2019.

Earning Premium Pay and Using Paid Leave in the Same Day or Week. SSA has no policy regarding employees' use of paid leave on days when they work overtime. We found 761 instances where SSA paid 18 of the 21 employees for overtime on the same days the employee used paid leave. In 13 instances, SSA paid 4 of these employees for overtime on the same days they used a full 8 hours of paid leave.

In response to our draft report, SSA stated its premium pay policy fully aligns with the law and Federal regulations. In addition, SSA will take the budgetary concerns raised in the report under advisement.

TABLE OF CONTENTS

Table of Contents.....	1
Abbreviations	1
Objectives	1
Background.....	1
Scope and Methodology	2
Results of Review	3
Advance Overtime Approval.....	3
Maximum Overtime Amount.....	3
Earning Premium Pay and Using Paid Leave in the Same Day or Week.....	5
Conclusion	7
Agency Comments.....	8
Appendix A – Scope and Methodology	A-1
Appendix B – Agency Comments.....	B-1

ABBREVIATIONS

C.F.R.	Code of Federal Regulations
OIG	Office of the Inspector General
PPM	Personnel Policy Manual
SSA	Social Security Administration
U.S.C.	United States Code
WSU	Workload Support Unit

OBJECTIVES

Our objectives were to determine whether—for a select group of employees—the Social Security Administration (SSA): (1) complied with its policies and procedures over employees' premium pay hours and (2) paid employees the proper premium pay amounts.

BACKGROUND

SSA reported in its *Fiscal Year 2023 Agency Financial Report* it had approximately 61,000 Federal employees.¹ Under certain circumstances, SSA offers employees the opportunity to earn premium pay hours (such as overtime). Premium pay is additional compensation provided to employees who work overtime hours.² SSA's *Personnel Policy Manual* (PPM) describes how and when employees earn premium pay.³

SSA employees enter their time (including premium pay hours) into the timekeeping system SSA uses. SSA electronically sends its time and attendance data to the Department of Interior's Federal Personnel Payroll System, which produces the employees' pay. SSA uses unique pay codes to track employee regular- and premium-pay hours. The timekeeping system and Federal Personnel Payroll System are organized in 2-week pay periods.⁴ Generally, at the end of the pay period, employees submit, and their supervisors certify, their timesheets.

Federal regulation defines overtime as officially ordered or approved work an employee performs in excess of 8 hours in a day or 40 hours in an administrative workweek.⁵ SSA's PPM requires the delegated official approve all overtime work for specific employees in advance and in writing.⁶ The timekeeping system offers a premium pay feature that allows employees to request, and supervisors to approve, premium pay in advance.

SSA does not limit the number of overtime hours an employee may work; however, the PPM states, "Maximum Overtime Amount - Generally, employees should work no more than 18 hours of overtime per week. Preferably, the amount should be considerably less than 18 hours."⁷

¹ SSA, *Fiscal Year 2023 Agency Financial Report*, p. 11, (November 14, 2023).

² SSA employees who are covered by the *Fair Labor Standards Act* are paid at a rate of 1.5 times their base salary for overtime hours (90 percent of dollars SSA spent on overtime from 2017 through 2022 were for covered employees). For additional information regarding overtime pay, see Appendix A.

³ SSA, *PPM, Overtime-General Information*, ch. S550_1, sec. 5.1. (July 16, 2009).

⁴ A pay period is a timeframe used to calculate earned wages and determine when employees receive their pay. The number of pay periods per year ranges from 1 to 26 or 27, and they are generally designed so the official pay dates remain in the same calendar year for taxable income purposes.

⁵ 5 C.F.R. §§ 550.111, 551.501.

⁶ SSA, *PPM, Overtime-General Information*, ch. S550_1, sec. 5.1. (July 16, 2009).

⁷ SSA, *PPM, Overtime-General Information*, ch. S550_1, sec. 5.4. (July 16, 2009).

SSA's Office of Human Resources provided us premium pay data. From the data, we determined employees worked approximately 24.9 million overtime hours from 2017 through 2022, totaling \$1.35 billion (see Table 1).

Table 1: Overtime from 2017 Through 2022⁸

Year	Employees	Overtime Hours	Overtime Amount
2017	43,408	4,606,309	\$236,884,271
2018	44,353	5,632,411	\$296,478,511
2019	42,989	4,571,888	\$244,947,146
2020	38,252	3,215,039	\$178,129,205
2021	35,818	3,111,086	\$171,742,928
2022	37,137	3,822,954	\$217,777,587
Total		24,959,687	\$1,345,959,648

SCOPE AND METHODOLOGY

We focused our review on 104 randomly sampled employees. We selected 52 of 42,989 and 52 of 38,252 employees who were paid for premium pay hours in 2019 and 2020, respectively.⁹ In addition, 3,532 employees worked more than the 18-hour overtime per week general guidance amount from 2017 through 2022. These employees worked in excess of the general guidance at least 16,117 times collectively during our review period. We focused our review on the 21 employees who worked the highest number of overtime hours in a single year. These employees (each) worked over 1,125 overtime hours in 1 year from 2017 through 2020. See Appendix A for more information on our scope and methodology.

Due to how we selected employees for our review, we cannot conclude—and the reader should not infer—that our observations are indicative of all SSA employees who were paid overtime during this time period.

⁸ This includes pay codes 110, 111, 116, 11U, and *Fair Labor Standards Act* Premium. We excluded all employees who worked in the Office of the Inspector General from the review.

⁹ We selected a random sample of 104 employees: 2 employees for each pay period from Pay Periods 01 through 26 of 2019 and 2020. However, our mixed methodology of random and judgmental sampling limited our ability to generalize the results to the larger SSA population from which our sample was drawn.

RESULTS OF REVIEW

For the employees we reviewed, SSA did not consistently comply with its policies and procedures over the approval of premium pay as stated in the PPM; however, they consistently paid those employees the correct premium pay amounts.

Advance Overtime Approval

Of the 104 employees we reviewed, SSA paid 16 (15 percent) employees 71 overtime hours that supervisors did not approve in advance and in writing using the timekeeping system. We note SSA paid 13 (62 percent) of the 21 highest premium pay earners 1,156 overtime hours—totaling \$54,602—that supervisors had not approved in the timekeeping system in advance.¹⁰

SSA's PPM states, "The delegated official must approve overtime work for specific employees by name, in advance and in writing."¹¹ However, SSA management stated that, by certifying an employee's timesheet at the end of the pay period, a supervisor is approving all the leave the employee used and the hours the employee worked (including premium pay).

Because timesheets are certified after the employee has worked all or most of the premium pay hours, these certifications cannot meet the overtime policy's "in advance" requirement without a retroactive component. Managers could not provide a specific policy that supported an exception to this portion of policy. In addition, the PPM does not specify whether the written approval must be in the timekeeping system. We asked SSA for written documentation that showed supervisors approved the employees to work overtime. SSA provided examples of component-wide emails that offered overtime, but those emails did not specify employees by name. Further, SSA did not provide evidence outside of the timekeeping system that demonstrated supervisors approved the specific employees to work overtime in advance and in writing.

To the extent SSA's controls may not ensure supervisors approve overtime by name, in advance, and in writing, there is increased risk employees could work overtime that management did not authorize and obligate the Agency to compensate them with premium pay.

Maximum Overtime Amount

We identified 3,532 employees who worked more than 18 hours of overtime in 1 week from 2017 through 2022.¹² SSA paid these employees for more than 18 hours of overtime in 1 week at least 16,117 times in this review period.¹³ Further, 101 of these employees earned more than

¹⁰ This does not necessarily mean the supervisors did or did not approve the employees to earn premium pay in advance outside of the timekeeping system.

¹¹ SSA, *PPM, Overtime-General Information*, ch. S550_1, sec. 5.1. (July 16, 2009).

¹² Federal Personnel Payroll System data are structured in bi-weekly pay periods. SSA paid these 3,532 employees over 36 hours of overtime in 1 pay period. Therefore, SSA paid the employees more than 18 hours of overtime in 1 or both weeks.

¹³ Since the Federal Personnel Payroll System data are for bi-weekly pay periods, the total number of weeks exceeding the threshold fell between 16,117 and 32,234. See Footnote 12.

18 hours of overtime over at least 25 weeks during the period we reviewed. Of these 101 employees, 61 (60 percent) worked in a single processing center.¹⁴

We focused our review on 21 employees who (each) worked over 1,125 overtime hours in 1 year.¹⁵ These employees exceeded 18 hours of overtime per week up to 50 times in 1 year (see Table A–1).¹⁶ For example, this resulted in one employee increasing a base salary of \$88,303 by earning an additional \$94,907 in overtime in 2019 (see Employee 16 in Table A–2), which more than doubled his salary for the year. This employee worked more than 18 hours of overtime over 135 weeks during our review (see Employee 16 in Table A–1).¹⁷

In total, 4 of the 21 employees (6 instances) doubled their base salary by consistently earning more than 18 hours of overtime in 1 week. Another employee—whose base salary was \$109,245—earned an additional \$102,637 by working more than 18 hours of overtime over 49 weeks during our review period (see Employee 2 in Table A–1 and Table A–2). We also found that SSA paid 3 of our randomly sampled 104 employees for more than 18 hours of overtime in the pay period we selected for review.

We requested SSA explain the 21 employees who were consistently paid for more than 18 overtime hours in a week. In one case, SSA stated an employee played a critical role in a specific workload that included changes with challenging due dates. The Agency authorized this employee to work overtime to meet operation goals and deadlines in the face of ongoing staffing constraints. In another case, an employee worked on an Agency initiative to reduce an Agency backlog. The delegated official authorized the employee to work overtime as part of this initiative.

For the remaining 19 employees, some examples of SSA’s responses include:

- As a customer service representative, an employee worked on representative payee accounting, Central Intake Unit, and Health Insurance/Supplemental Medical Insurance (Medicare) cases.
- During this period, benefit authorizers worked high-priority post-entitlement cases, including aged cases, claims, status/disability cessation, attorney fee actions, and windfall offset.
- A claims technical expert worked predominately reconsideration screening cases that comprised reconsiderations, modernized development worksheets, and overpayment alerts. The employee assisted with aged attorney fee and workers’ compensation cases as needed.

¹⁴ SSA has eight processing centers nationwide: six process similar workloads and two handle specialized workloads. PSCs are responsible for paying Old-Age, Survivors, and Disability Insurance benefits, administering the Medicare program, and handling other functions essential to maintaining beneficiary records.

¹⁵ Of the 21 employees, SSA paid 10 employees for over 1,125 overtime hours in multiple years, for a total of 32 instances.

¹⁶ Of the 21 employees, 19 worked in Processing Center 1 in Queens, New York.

¹⁷ This employee exceeded the 18-hour overtime threshold 37 times in 2017, 49 times in 2018, and 49 times in 2019.

In many cases, SSA did not explain the tasks employees performed during overtime. SSA paid the employees for this overtime from 2017 through 2019; however, several of SSA's responses regarding the work performed during this time referred to the pandemic, which was not declared until 2020. For example, SSA stated, "These employees are Claims Specialists in the WSU [Workload Support Unit] who were paid for overtime hours that were allocated and authorized for the WSU to address iClaims. The WSU did experience a surge in iClaim receipts during the pandemic because of field office closures, so we have a backlog of iClaims to be worked in the WSU. iClaims were the designated overtime workload for all WSU employees."¹⁸ When given another opportunity to explain the significant overtime, SSA stated, "We confirmed with Operations that their responses are complete and based on all years."¹⁹ Although SSA provided tasks performed during and after the pandemic, it did not explain the significant overtime before the pandemic.

Although presented in policy under the heading "Maximum Overtime Amount," SSA informed us the 18 hours is only guidance, not a strict limit. SSA does not have a policy that defines what should be done when an employee works more than 18 hours of overtime in 1 week.

The Department of Homeland Security's OIG issued a similar report on overtime.²⁰ The report states,

NPPD [Department of Homeland Security's National Protection and Programs Directorate] identified problems with the use of overtime, and FPS [Federal Protective Service] subsequently added a requirement that any overtime exceeding 25 hours in a pay period required additional review and validation by regional and headquarters leadership. Since the additional oversight requirement, it appears the use of overtime has declined.

SSA should consider a policy that requires documentation or a secondary approval for employees to work more than 18 hours of overtime in a week. To effectively manage premium pay, SSA needs to develop detailed policy and communicate it to the workforce.

Earning Premium Pay and Using Paid Leave in the Same Day or Week

According to Federal regulations, an employee's absence from duty on authorized leave with pay, during the time when he would otherwise have been required to be on duty, does not reduce the amount of overtime pay to which the employee is entitled during an administrative workweek.²¹

¹⁸ Email from SSA (October 27, 2022).

¹⁹ Email from SSA (November 3, 2022).

²⁰ Department of Homeland Security OIG, *The Federal Protective Service Has Not Managed Overtime Effectively*, OIG-19-15 p. 5 (December 2018).

²¹ 5 C.F.R. § 550.112(c).

SSA stated, “. . . agency policy . . . do[es] not preclude employees from using leave and earning premium pay in the same day/week.”²² However, SSA's policy does not specify when it is appropriate (and not appropriate) for supervisors to authorize employees to work overtime when those employees have not performed 8 hours of work in a day or 40 hours of work in a week. One SSA policy discusses using leave during a heavy workload period, particularly if substantial amounts of overtime have been worked over a prolonged period of time; however, this policy addresses the periodic review of time and attendance records to identify potential attendance and leave problems and is not specific to premium pay.²³

We found 761 instances where SSA paid 18 of the 21 employees who were each paid for over 1,125 overtime hours in 1 year, overtime on the same day they used less than 8 hours of paid leave. In addition, in 13 instances, SSA paid 4 employees for overtime on the same day that the employees used a full 8 hours of leave. For example, one employee used 8 hours of annual leave from 6:00 AM to 2:00 PM on Wednesday through Friday, for a total of 24 hours annual leave. This employee was also paid for 3 hours overtime from 2:30 PM to 5:30 PM each of those 3 days, for a total of 9 hours of overtime.

Finally, 5 of the 21 employees were consistently paid overtime and used paid leave in the same pay period. For example, one employee used leave every Monday of a year but was paid for an average of 16 hours of overtime on the weekend.

Federal regulations define credit hours as time worked in excess of an employee's basic work requirement that they can later use as time off during a subsequent day, week, or pay period, with supervisory approval.²⁴ Although SSA paid these employees overtime, it also offers employees the option to earn credit hours. Employees receive the basic pay for using credit hours and may not earn Sunday or holiday premium pay for credit hours.²⁵ Therefore, credit hours earned could have been used to accommodate the leave use for the five employees discussed above. SSA stated, “Although the five employees could have used credit hours in lieu of leave to fulfill their tour of duty prior to working overtime, there is no requirement to do so.”²⁶ “Moreover, management cannot require employees to request to use credit hours instead of leave.”²⁷ In addition, SSA stated, “If overtime is available and offered to employees, management cannot require employees to work credit hours in lieu of overtime.”²⁸

²² Email from SSA (July 19, 2024).

²³ SSA, *PPM, Attendance and Leave Problems*, ch. S630_14, sec. 4.1. (October 27, 2019).

²⁴ 5 C.F.R. §§ 6121 through 6126 Flexible schedules; credit hours; accumulation and compensation. For more information see Appendix A: Credit Hours.

²⁵ SSA, *PPM, Flexible Work Schedules*, ch. S610_3, sec. 3.4 and sec. 3.5. (October 27, 2019).

²⁶ See footnote 22.

²⁷ See footnote 22.

²⁸ See footnote 22.

Although SSA employees did not violate Federal regulations²⁹ or SSA policy,³⁰ overtime for employees who have used paid leave could result in an increase in payroll cost without a reduction in Agency workload. For example, if an employee used 2 hours of paid leave in the morning, worked 6 regular hours, then 2 hours of overtime at the end of their workday, the employee has only worked 8 hours. However, this employee would be paid the equivalent of 11 hours (8 regular and 2 overtime hours at the premium pay rate of time and a half, or the equivalent of 3 regular hours). Therefore, this employee has performed the work of a regular 8-hour day but received pay equivalent to 11 regular hours by using 2 hours of leave in the morning.

We determined SSA paid these 21 employees significantly less overtime in 2021 and 2022. In addition, leave patterns discussed above were not as apparent in 2021 and 2022. Still, we believe SSA should consider developing clearer guidance for supervisors to determine when it is appropriate (and not appropriate) for employees to work overtime when those employees have not performed 8 hours of work in a day or 40 hours of work in a week.

CONCLUSION

Due to how we selected employees for our review, we cannot conclude—and the reader should not infer—that our observations are indicative of the over 60,000 SSA employees who were paid overtime during the review period.

SSA spent approximately \$1.35 billion on premium pay from 2017 to 2022. As a taxpayer expense, SSA has a responsibility to manage its use effectively. The Office of Management and Budget states Agency officials are responsible to “. . . ensure adequate approval, monitoring, and audit procedures are in place to avoid overtime abuses.”³¹ To the extent controls may be missing, inadequate, or ineffective, the risk that SSA might pay employees premium pay for overtime work that management did not pre-approve is heightened.

The Acting Commissioner stated the 2023 budget provided staffing and overtime to help mitigate the growth in our pandemic-related backlogs.³² Consistent compliance with policies and procedures regarding the oversight of premium hours could reduce the number of premium hours needed to accomplish this goal. We believe a stronger emphasis on controls to monitor overtime is necessary to maximize taxpayer dollars related to overtime.

²⁹ 5 C.F.R. § 550.112.

³⁰ SSA's current collective bargaining agreement with the National Treasury Employees Union—one of the three labor unions representing SSA employees—states, “[t]he Agency will not normally approve overtime on a day when the employee has used leave during the morning flexible band.” SSA, *National Agreement between the National Treasury Employees Union and Social Security Administration*, Article 15, Section 6, B.2 (November 6, 2022). SSA's agreements with the other labor unions do not address this issue.

³¹ Office of Management and Budget Circular A-11, *Preparation, Submission, and Execution of the Budget*, p. 2 of Section 32 (August 2023).

³² SSA, *Fiscal Year 2023 President's Budget*, p. 1 (March 28, 2022).

AGENCY COMMENTS

In response to our draft report, SSA stated its premium pay policy fully aligns with the law and federal regulations. In addition, SSA will take the budgetary concerns raised in the report under advisement. See Appendix B for Agency comments.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed the Social Security Administration’s (SSA) Personnel Policy Manual (PPM), Office of Personnel Management’s policies and procedures related to Federal employee leave, and Federal laws and regulations that pertained to employees’ premium pay.
- Interviewed staff from SSA’s Office of Human Resources.
- Requested information from various SSA components, including the Offices of Human Resources and Operations.
- Reviewed information from the timekeeping system to determine why the individuals were granted premium pay.

Premium Pay

The timekeeping system SSA uses is set up so all premium pay is recorded and approved in advance.¹ The timekeeping system offers a premium pay feature that allows employees to request, and supervisors to approve, premium pay in advance.

We received data from SSA’s Office of Human Resources for all SSA employees from 2017 through 2022. We determined whether the (1) employee submitted the overtime requests in the timekeeping system and (2) supervisor approved the overtime before they certified the timesheet. We also:

- Reviewed a random sample of 104 employees (2 for each pay period from Pay Period 01 of 2019 through Pay Period 26 of 2020).² We sent the list of employees to SSA to request an SF-50, *Notification of Personnel Action*, for each employee for the pay period selected for the overtime sample. We used the SF-50 to verify the rate of overtime pay. We reviewed all information SSA provided and employee timesheets for the period identified to determine whether managers followed the proper policies and procedures when they granted overtime hours and whether the appropriate rate was paid.
- In addition to our random sample, we judgmentally reviewed 21 employees who had over 1,125 overtime hours in 1 year in 2017 through 2019 (Table A–2) and identified the number of weeks the employee exceeded the 18-hour overtime amount (see Table A–1). We determine whether the proper policies were applied for granting overtime hours.
- Finally, we expanded our analysis of overtime through 2022 and noted the amount of overtime paid to SSA employees decreased around the beginning of the COVID-19 pandemic. The lower levels of overtime continued through 2022.

¹ SSA, *PPM, Overtime-General Information*, ch. S550_1, sec. 5.1. (July 16, 2009).

² Our mixed methodology of random and judgmental sampling limited our ability to generalize the results to the larger SSA population from which our sample was drawn.

Table A-1: Employees Paid 1,125 Overtime Hours Per Year Exceeding 18-Hour Amount³

Employee Number	Position	Duty Station	2017 Weeks Exceeded 18 Hours	2018 Weeks Exceeded 18 Hours	2019 Weeks Exceeded 18 Hours	Total Weeks Exceeded 18 Hours
1	Claims Specialist	Queens, NY	0	50	44	94
2	Mgmt. Support Spec.	Queens, NY	0	49	0	49
3	Claims Specialist	Queens, NY	0	0	40	40
4	Dis. Process. Spec.	Queens, NY	0	44	0	44
5	Benefit Authorizer	Queens, NY	0	48	43	91
6	Benefit Authorizer	Queens, NY	0	43	44	87
7	Cust. Service Rep	Queens, NY	0	40	40	80
8	Dis. Process. Spec.	Queens, NY	0	40	0	40
9	Claims Specialist	Queens, NY	0	40	46	86
10	Asst Module Mgr.	Queens, NY	0	43	38	81
11	Benefit Authorizer	Queens, NY	0	0	41	41
12	Benefit Authorizer	Queens, NY	0	38	0	38
13	Debtor Contact Rep	Queens, NY	0	48	48	96
14	Benefit Authorizer	Queens, NY	0	43	41	84
15	Claims Tech Expert	Queens, NY	0	0	41	41
16	Claims Specialist	Queens, NY	37	49	49	135
17	IT Specialist	Wilkes Barre, PA	0	44	0	44
18	Dis. Process. Spec.	Queens, NY	0	38	0	38
19	Dis. Process. Spec.	Queens, NY	0	41	0	41
20	Dis. Process. Spec.	Queens, NY	0	47	39	86
21	Attorney Advisor	Elkins Park, PA	0	39	44	83
Total			37	784	598	

³ None of these employees exceeded 1,125 overtime hours in 2020.

Table A-2: Gross Pay for Employees Paid over 1,125 Overtime Hours per Year in 2017-2019

Employee Number	Year	Federal Salary ⁴	Overtime Hours	Overtime Pay	Gross Pay
1	2018	\$91,147	1,377.50	\$90,159	\$181,306
	2019	\$93,077	1,280.00	\$85,553	\$178,630
2	2018	\$109,245	1,308.00	\$102,637	\$211,882
3	2019	\$76,921	1,172.25	\$65,324	\$142,245
4	2018	\$92,438	1,309.75	\$87,067	\$179,505
5	2018	\$75,334	1,233.50	\$66,831	\$142,165
	2019	\$76,921	1,174.25	\$64,696	\$141,617
6	2018	\$57,948	1,192.00	\$50,938	\$108,886
	2019	\$61,145	1,230.75	\$55,408	\$116,553
7	2018	\$68,209	1,251.50	\$61,290	\$129,499
	2019	\$69,645	1,243.25	\$62,189	\$131,834
8	2018	\$92,438	1,240.00	\$83,902	\$176,340
9	2018	\$84,135	1,186.50	\$71,748	\$155,883
	2019	\$85,916	1,480.75	\$93,548	\$179,464
10 ⁵	2018	\$95,239	1,161.75	\$53,241	\$148,480
	2019	\$97,254	1,164.25	\$58,182	\$155,436
11	2019	\$59,173	1,189.00	\$51,865	\$111,038
12	2018	\$52,111	1,153.75	\$43,181	\$95,292
13	2018	\$44,051	1,428.50	\$45,554	\$89,605
	2019	\$46,435	1,524.50	\$51,840	\$98,275
14	2018	\$75,334	1,209.50	\$65,439	\$140,773
	2019	\$76,921	1,199.25	\$66,241	\$143,162
15	2019	\$111,558	1,125.25	\$90,308	\$201,866
16	2017	\$82,397	1,162.25	\$69,295	\$151,692
	2018	\$86,472	1,444.25	\$89,847	\$176,319
	2019	\$88,303	1,493.25	\$94,907	\$183,210
17	2018	\$75,737	1,599.00	\$89,539	\$165,276
18	2018	\$98,040	1,213.00	\$85,415	\$183,455
19	2018	\$98,040	1,179.00	\$83,105	\$181,145
20	2018	\$92,438	1,348.25	\$91,195	\$183,633
	2019	\$97,254	1,180.00	\$82,387	\$179,641
21	2018	\$89,804	1,143.00	\$74,283	\$164,087

⁴ Federal salaries were determined by Grade and Step assigned to the employee at the end of the year. We referenced Office of Personnel Management's General Schedule with Locality Pay Tables for Geographic Areas.

⁵ We tested this exempt employee's premium pay and found it was within the limitations found below.

Credit Hours

Credit hours are hours an employee elects to work, with supervisory approval, in excess of the employee's basic work requirement under a flexible work schedule.⁶ Employees are not paid basic or overtime pay for credit hours when they earn them. An employee may use credit hours during a subsequent day, week, or pay period, with supervisory approval, to allow the employee to be absent an equal number of hours at no loss of basic pay.

Overtime Pay and Limitations⁷

Employees covered by Fair Labor Standards Act

Employees receive pay equal to one and one-half times their regular rate of pay for irregular, occasional, or regular overtime. There is no bi-weekly or annual pay limitation for these employees.⁸

Employees not covered by Fair Labor Standards Act⁹

SSA employees who are exempt from the *Fair Labor Standards Act* are paid at a rate of one and one-half times their base salary for overtime; however, that rate begins a progressive reduction beginning a GS-10, Step 1. Employees whose pay exceeded that of a GS-10, Step 1, are paid the greater (a) of one and one half the base pay for a GS-10, Step 1 or (b) the employee's base hourly rate. Exempt employees are also subject to bi-weekly and annual pay limitations which non-exempt employees are excluded, as follows.

Biweekly Limitations Premium pay cannot be paid to General Schedule employees to the extent that doing so would cause the total of their basic pay and premium pay for any biweekly pay period to exceed the greater of:

1. GS-15, Step 10 (including any applicable special salary rate or locality rate of pay) or
2. Level V of the Executive Schedule.

Annual Limitations In any calendar year during which an employee has been determined to be performing emergency or mission-critical, the employee may receive premium pay only to the extent that the payment does not cause the total of his or her basic pay and premium pay for the calendar year to exceed the greater of:

1. GS-15, Step 10 (including any applicable special salary rate or locality rate of pay) or
2. Level V of the Executive Schedule.

⁶ 5 C.F.R. §§ 6121-6126.

⁷ 5 U.S.C. § 5542(a).

⁸ 5 C.F.R. § 550.101(c).

⁹ 5 C.F.R. §§ 550.105, 550.106(c).

SSA electronically collects payroll information from an electronic timekeeping system and the Federal Personnel and Payroll System. We completed data testing to determine completeness and accuracy of the data we received from SSA's Office of Human Resources. Additionally, based on the information we obtained from the Agency and documentation we reviewed, we determined the data we used were sufficiently reliable given our objectives and the intended use of the data should not lead to incorrect or unintentional conclusions.

We conducted our review between April 2021 and July 2024. The principal entity reviewed was SSA's Office of Human Resources.

Appendix B – AGENCY COMMENTS




SOCIAL SECURITY

MEMORANDUM

Date: September 19, 2024 Refer To: TQA-1

To: Michelle L. H. Anderson
Acting Inspector General

From: Dustin Brown 
Acting Chief of Staff

Subject: Office of the Inspector General Draft Management Advisory Report, “Controls over Employees’ Premium Pay” (152404) – INFORMATION

Thank you for the opportunity to review the draft report. Our policy (PPM S550_1) fully aligns with the law (5 USC 5542) and Federal regulations (5 CFR 550.112(C)). We will take the budgetary concerns raised in the report under advisement.

Please let me know if I can be of further assistance. You may direct staff inquiries to Hank Amato at (407) 765-9774.



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

Report:

Social Security-related scams and Social Security fraud, waste, abuse, and mismanagement, at oig.ssa.gov/report.

Connect:

[OIG.SSA.GOV](https://oig.ssa.gov)


Visit our website to read about our audits, investigations, fraud alerts, news releases, whistleblower protection information, and more.

Follow us on social media via these external links:

 @TheSSAOIG

 OIGSSA

 TheSSAOIG

 Subscribe to email updates on our website.