Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025

152601 July 2026

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: July 14, 2026 **Refer to:** 152601

To: Frank Bisignano
Commissioner

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

Subject: The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration met all requirements of the *Payment Integrity Information Act of 2019* in the Fiscal Year 2025 *Agency Financial Report* and accompanying materials.

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

Attachment

The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025
152601

July 2026 **Office of Audit Report Summary**

Objective

To determine whether the Social Security Administration (SSA) met all requirements of the *Payment Integrity Information Act of 2019* (PIIA) in the Fiscal Year (FY) 2025 *Agency Financial Report* and accompanying materials.

Background

On March 2, 2020, the President signed PIIA to improve efforts to identify and reduce Government-wide improper payments (IP).

In March 2021, the Office of Management and Budget updated Government-wide guidance on implementing PIIA to require that agencies report specific IP information in their annual financial reports and accompanying materials.

The law and guidance require that Inspectors General review the IP information their respective agencies report in their agency financial reports and accompanying materials.

Results

In FY 2025, SSA complied with all 10 PIIA reporting requirements for the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs. SSA also complied with eight PIIA reporting requirements for the Supplemental Security Income (SSI) program but did not comply with two PIIA reporting requirements because it did not (1) demonstrate improvements in payment integrity or reach a tolerable IP and unknown payment (UP) rate and (2) report an IP and UP estimate of less than 10 percent.

According to SSA, the leading causes of overpayments in the SSI program were financial accounts, wages, and in-kind support and maintenance. The leading causes of overpayments in the OASI program were relationship and dependency, computations, and earnings history. The leading causes of overpayments in the DI program were substantial gainful activity, earnings history, workers' compensation and public disability benefits, and computations.

While SSA has made progress implementing corrective actions for both programs, it still has work to do to address IPs.

Recommendations

We are not making new recommendations in this report. In our prior reports, we recommended SSA (1) conduct a study to expand Access to Financial Institutions searches between the SSI initial application and subsequent eligibility redeterminations; and (2) complete the Foreign Travel Data exchange project. As of the date of this report, SSA had not implemented these recommendations. We encourage SSA to continue working to implement open recommendations from our prior reports.

SSA reviewed our draft report and provided technical comments, which we incorporated into this final report as appropriate. SSA had no formal comments.

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Abbreviations

AFI	Access to Financial Institutions
C.F.R.	Code of Federal Regulations
DI	Disability Insurance
Fed. Reg.	Federal Register
FTD	Foreign Travel Data
FY	Fiscal Year
IP	Improper Payment
IPAS	Improper Payments Alignment Strategy
ISM	In-kind Support and Maintenance
OASDI	Old-Age, Survivors, and Disability Insurance
OASI	Old-Age and Survivors Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PDB	Public Disability Benefit
PIIA	*Payment Integrity Information Act of 2019*
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
RQ	Risk and Quality
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income
UP	Unknown Payment
U.S.C.	United States Code
WEP	Windfall Elimination Provision
WC	Workers' Compensation

Objective

Our objective was to determine whether the Social Security Administration (SSA) met all requirements of the *Payment Integrity Information Act of 2019* (PIIA) in the Fiscal Year (FY) 2025 *Agency Financial Report* and accompanying materials.

Background

SSA administers the Old-Age, Survivors, and Disability Insurance (OASDI) program under Title II of the *Social Security Act*.[1] OASDI provides benefits to wage earners and eligible family members in the event a wage earner retires, becomes disabled, or dies. The Agency also administers the Supplemental Security Income (SSI) program under Title XVI of the *Social Security Act*.[2] SSI is a means-tested program that provides a minimum level of income to individuals who are aged, blind, or disabled and meet certain income and resource limits. An SSI payment amount can vary month to month depending on such changes in a recipient's eligibility factors as resources, income, and living arrangements.

On March 2, 2020, the President signed PIIA to improve efforts to identify and reduce Government-wide improper payments (IP).[3] The Office of Management and Budget (OMB) defines an IP as a payment that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. An unknown payment could be proper or improper, but the Agency cannot make this determination because of insufficient documentation. Under PIIA, Federal agencies must identify all programs and activities that may be susceptible to significant IPs. Once the agency identifies these programs and activities, it is required to report on actions it has taken, or plans to take, to recover IPs and prevent future IPs.[4] See Appendix A for Agency reporting requirements.

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[1] See 20 C.F.R. part 404.

[2] See 20 C.F.R. § 416.110.

[3] *Payment Integrity Information Act of 2019 (PIIA),* Pub. L. No. 116-117, 134 Stat. 113 (2020). PIIA revised the Government's IP reporting requirements by repealing and replacing the *Improper Payments Information Act of 2002*, *Improper Payments Elimination and Recovery Act of 2010*, *Improper Payments Elimination and Recovery Improvement Act of 2012,* and *Fraud Reduction and Data Analytics Act of 2015*.

[4] *Payment Integrity Information Act of 2019*, Pub. L. No. 116-117, § 2, 134 Stat. 113, p. 114 (2020).

Inspectors General are required to review their respective agencies' IP and high-dollar overpayment reports. Our compliance review for FY 2025 used a combination of requirements in OMB Circulars A-123, Appendix C, *Requirements for Payment Integrity Improvement*,[5] and A-136, *Financial Reporting Requirements*;[6] OMB Annual Data Call Instructions;[7] and the Council of the Inspectors General on Integrity and Efficiency's guidance required under PIIA.[8] Refer to Appendix B for Inspector General reporting responsibilities and Appendix C for our scope and methodology.

SSA's Risk and Quality (RQ) component conducts stewardship reviews to examine the non-medical elements of cases for the OASDI and SSI programs. The reviews assess the accuracy of SSA's benefit entitlement and eligibility decisions and payments. Each month, RQ selects a statistically valid sample of beneficiaries who received one or more payments during the review period. An RQ employee interviews the selected beneficiary or their representative payee, makes necessary collateral contacts, and redevelops all non-medical factors of entitlement as of the sample month.

OMB approved SSA to use these reviews to produce a statistically valid estimate of SSA's IPs.[9] IP amounts SSA identifies through its stewardship reviews can fluctuate greatly from year to year. As we stated in our 2025 memorandum, SSA should consider changes to improve its IP estimation methodology.[10]

SSA reports the results of its stewardship reviews, in part, in the payment integrity sections of its *Agency Financial Report* and accompanying materials.[11] In accordance with OMB guidelines, SSA reports IPs that result from (1) its mistake in computing the payment; (2) its failure to obtain, or act on, available information that affects the payment; (3) a beneficiary's failure to report an event; or (4) a beneficiary's incorrect report.[12] Some stewardship cases have more than one error that causes an incorrect payment. SSA calls each error a deficiency. In its FY 2025 *Agency Financial Report* and accompanying materials, SSA reported data for cases RQ sampled in FY 2024. SSA will not have FY 2025 data until late FY 2026.

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[5] OMB, Transmittal of Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement*, *M-21-19* (2021).

[6] OMB, *Financial Reporting Requirements*, *Circular A-136 Revised* (2025).

[7] OMB annual data call instructions are posted to a restricted access government website.

[8] Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act OIG Compliance Reviews* (2025).

[9] SSA, OIG, *The Social Security Administration's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the Fiscal Year 2011 Performance and Accountability Report*, *A-15-12-11244*, pp. 7 and 8 (March 2012).

[10] SSA, OIG, *The Social Security Administration's Methodology for Estimating Improper Payments*, *152507*, p. 3 (September 2025).

[11] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, pp. 174 through187 (January 2026).

[12] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 175 (January 2026).

In FY 2019, SSA established the Improper Payment Prevention Branch, now known as the Improper Payments Team, to address IPs. Since FY 2019, the Improper Payments Team has developed Improper Payments Alignment Strategies (IPAS) to determine the underlying causes of payment errors, develop corrective action plans, and determine cost-effective solutions. As of August 2025, SSA had six active IPAS: (1) Substantial Gainful Activity (SGA), (2) Financial Accounts, (3) SSI Wages, (4) In-kind Support and Maintenance (ISM), (5) Computations, and (6) Relationship and Dependency.[13]

RESULTS OF REVIEW

In FY 2025, SSA complied with 8 of the 10 PIIA reporting requirements for the SSI program. SSA did not (1) demonstrate improvements to payment integrity or reach a tolerable IP and unknown payment (UP)[14] rate or (2) report an IP and UP estimate of less than 10 percent. For the Old-Age and Survivors Insurance (OASI) and DI programs, SSA was compliant with all 10 PIIA reporting requirements. See Table 1 for details.

Table 1: SSA PIIA Compliance Reporting[15,16]

Requirement	OASI	DI	SSI
Published payment integrity information with the annual financial statement	Compliant	Compliant	Compliant
Posted the annual financial statement and accompanying materials on the Agency website	Compliant	Compliant	Compliant
Conducted IP risk assessment for each program with annual outlays greater than $10 million at least once in the last 3 years	Compliant	Compliant	Compliant
Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold	Compliant	Compliant	Compliant
Published IP and UP estimates for programs susceptible to significant IPs in the accompanying materials to the annual financial statement	Compliant	Compliant	Compliant
Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	Compliant	Compliant	Compliant

[13] According to SSA, the Improper Payments Team paused IPAS updates in FY 2025 due to competing priorities, and the team will determine the feasibility of resuming updates in FY 2027.

[14] According to OMB, if a program cannot discern whether a payment is proper or improper, the payment is considered an unknown payment. OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, part I, sec. (B), p. 12 (2021).

[15] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, part VI, sec. (C)(5), p. 52 (2021).

[16] On March 25, 2025, the President signed Executive Order 14249: *Protecting America's Bank Account Against Fraud, Waste, and Abuse*. To align with the Executive Order, SSA reported the OASI and DI programs separately (previously, the Agency reported the programs collectively as the OASDI program). Protecting America's Bank Account Against Fraud, Waste, and Abuse, Executive Order No. 14249, 90 Fed. Reg. 14011 (March 25, 2025).

Requirement	OASI	DI	SSI
Published IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	Compliant	Compliant	Compliant
Has demonstrated improvements to payment integrity or reached a tolerable IP and UP rate	Compliant	Compliant	**Noncompliant**
Has developed a plan to meet the IP and UP reduction target	Compliant	Compliant	Compliant
Reported an IP and UP estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement	Compliant	Compliant	**Noncompliant**

In addition to IP reporting, SSA submitted the OMB-required information used to populate the FY 2025 quarterly Payment Integrity Scorecards, which fulfills the high-dollar overpayment reporting requirements. Payment Integrity Scorecards describe root causes of IPs, planned mitigation actions, and track the status of a program's accomplishments.[17] SSA also provided complete and accurate supporting documentation for material facts and figures presented in its FY 2025 *Agency Financial Report* and accompanying information.

Compliance Reporting for Improvements to Payment Integrity

PIIA requires that agencies demonstrate improvements to payment integrity or reach tolerable IP and UP rates, which are defined as "the degree of IPs and UPs measured against the outlays."[18] For FY 2025, SSA was non-compliant because it did not demonstrate improvements to payment integrity, as the IP and UP rates for the SSI program increased from FY 2023 to 2024. In addition, SSA was non-compliant because it did not report an IP and UP estimate of less than 10 percent for the SSI program.

PIIA was developed "[to] improve efforts to identify and reduce government-wide [IPs]."[19] While SSA has initiatives and corrective action plans to reduce IPs, it has not significantly improved SSI IP and UP rates since FY 2020.[20] As shown in Figure 1, after the SSI IP and UP rates dropped in FY 2021, it increased in FYs 2022, 2023 and 2024.

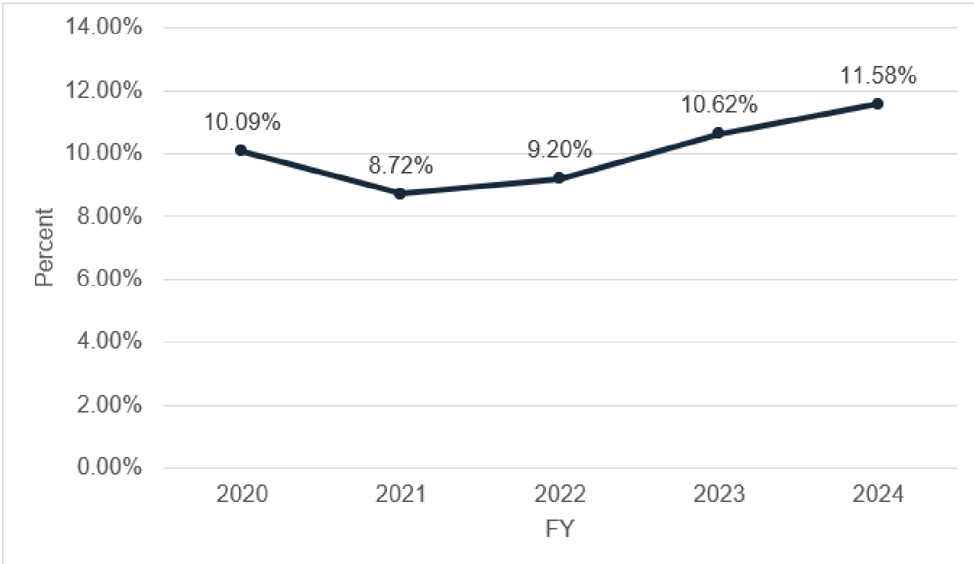
[17] OMB, *OASI Program Scorecards*, paymentaccuracy.gov (April 8, 2026). OMB, *DI Program Scorecards*, paymentaccuracy.gov (April 8, 2026). OMB, *SSI Program Scorecards*, paymentaccuracy.gov (April 8, 2026).

[18] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, p. 64 (2021).

[19] *Payment Integrity Information Act of 2019 (PIIA),* Pub. L. No. 116-117, 134 Stat. 113,113 (2020).

[20] Refer to paymentaccuracy.gov for OASDI and SSI corrective actions and initiatives. OMB, *OASI Program Integrity Results: Prevention*, paymentaccuracy.gov (April 8, 2026). OMB, *DI Program Integrity Results: Prevention*, paymentaccuracy.gov (April 8, 2026). OMB, *SSI Program Integrity Results: Prevention*, paymentaccuracy.gov (April 8, 2026).

**Figure 1: SSI IP and UP Rates—
FYs 2020 Through 2024**



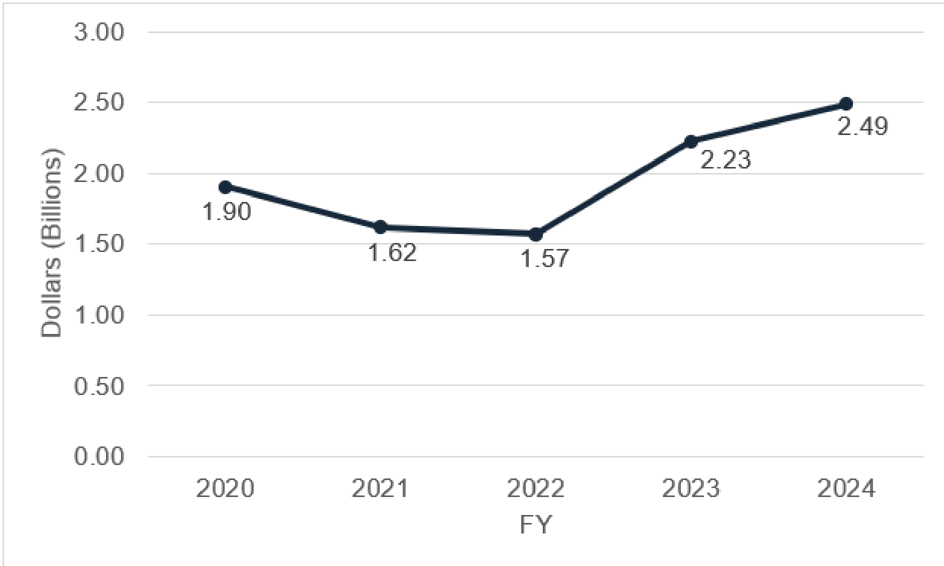
Overpayments Caused by Financial Accounts

According to SSA, a leading cause of overpayments in the SSI program is financial accounts with countable resources over the allowable resource limits.[21] To address this, in 2011, SSA implemented the Access to Financial Institutions (AFI) initiative. AFI verifies alleged financial institution account balances and searches for undisclosed accounts at geographically relevant locations based on the individual's address. AFI has been used during initial SSI applications and periodic eligibility redeterminations (reviews of recipients' non-medical eligibility factors—income, resources, and living arrangements—to determine whether the recipients are still eligible for, and receiving, the correct SSI payments) when alleged liquid resources are $400 or more.[22] Between FYs 2020 and 2024, SSA estimated overpayments related to financial accounts averaged approximately $2 billion, as shown in Figure 2.

[21] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 184 (January 2026).

[22] SSA, *POMS*, SI 02305.001, A (September 5, 2019).

Figure 2: SSI Financial Accounts Overpayment Deficiency Dollars—FYs 2020 Through 2024[23]



SSA provided the following response regarding the increase in overpayments from FYs 2023 to 2024, based on RQ's stewardship review sample.

> Recipients and their representative payees are required to notify us when a change occurs that affects their SSI eligibility and payment amount, such as resources that exceed allowable amounts. Failure to report these payment-affecting changes continues to be the primary cause of overpayment errors. Tools such as [AFI] are effective to identify errors, but the SSI program continues to rely heavily on recipients to report changes timely to prevent errors. The [SSI] stewardship review does not capture data to conduct analysis of national economic factors that may impact SSI improper payments, therefore, we do not have an explanation for the increase in overpayment deficiency dollars related to financial accounts from 2023-2024.

[23] RQ provided the deficiency dollar amounts. We did not independently verify these data. SSA stated, "The size of the stewardship sample allows us to obtain statistically reliable data on the overall payment accuracy of SSI payments issued in a specific fiscal year; however, because the annual sample is not large enough to yield statistically reliable information about individual deficiencies for a given year, we summarize deficiency data over a 5-year period."

Several of our previous PIIA audits determined the Agency could have realized additional savings had it used AFI more often than at the initial SSI application stage and during periodic redeterminations. In May 2023, we recommended SSA conduct a study to expand AFI searches between the SSI initial application and subsequent eligibility redeterminations.[24] According to SSA, in FY 2024, 78 percent of financial account overpayments occurred because of changes made after SSA processed recipients' initial claims and redeterminations. Based on SSA's payment data, we estimate the associated overpayments totaled about $1.9 billion.[25] In January 2026, SSA provided an update to our recommendation stating, ". . . due to changes in [Chief Information Officer] priorities, we were not able to finish on our original schedule. Based on the remaining work and our estimates related to higher priority work, it is anticipated that the study will be completed by September 30, 2026." This recommendation remains unimplemented.

As a result of our FY 2021 review, we recommended SSA complete the expansion study for AFI and assess the effectiveness of lowering the countable liquid resource tolerance from $400 to $0.[26] Rather than completing the study, SSA began applying the $0 threshold for SSI aged initial claims allowances in August 2025. Effective May 2026, SSA is applying the $0 threshold to all initial, appealed, and re-opened SSI claims allowances.

As of the date of this report, SSA had not fully implemented our prior recommendations related to overpayments caused by financial accounts. As in prior years, we maintain SSA needs to implement new, or expand existing, corrective actions to address IPs related to resources recipients have in financial accounts that exceed allowable amounts.

Overpayments Caused by Earnings

According to SSA, wage discrepancies is one of the leading causes of IPs in the SSI program.[27] Wage discrepancies occur when a recipient's, or their deemor's, actual wages differ from those SSA used to calculate the SSI payment. A deemor is an individual, such as an SSI recipient's ineligible spouse or parent, whose income and resources SSA considers when it determines a recipient's SSI eligibility or payment amount.[28] SSA's estimated SSI overpayments that result from deficiencies in recipients' reported earnings averaged $1.3 billion from FYs 2020 through 2024, as shown in Figure 3.

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[24] SSA, OIG, *Compliance with the Payment Integrity Information Act of 2019 in the Fiscal Year 2022, A-15-22-51183,* p. 12 (May 2023).

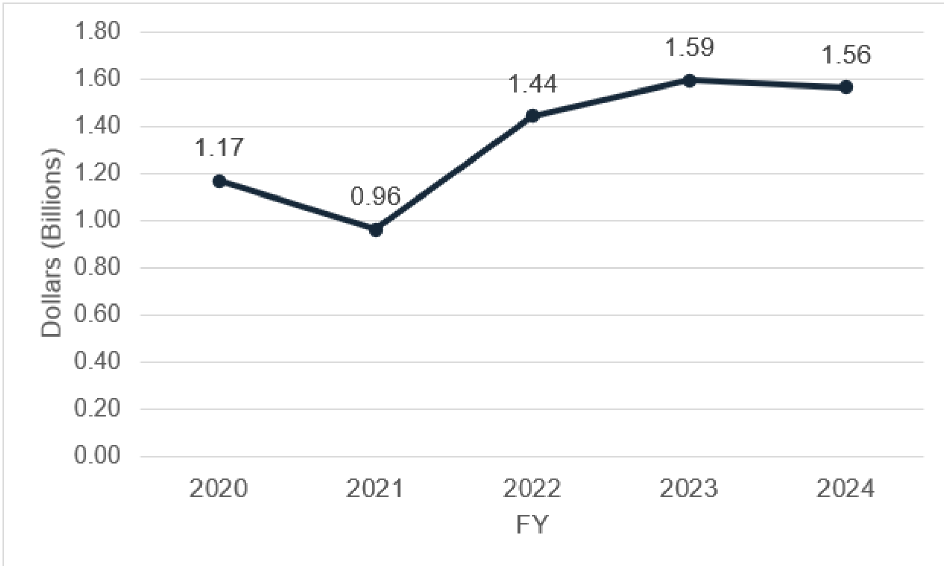
[25] We calculated this estimate using information from SSA's *Fiscal Year 2024 Title XVI Payment Accuracy Report*, p. 10 (June 2025).

[26] SSA, OIG, *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2021*, A-15-21-51121, p. 12 (May 2022).

[27] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 185 (January 2026).

[28] SSA, *POMS*, SI 01310.127 (September 25, 2024).

**Figure 3: SSI Wages Overpayment Deficiency Dollars—
FYs 2020 Through 2024[29]**



In addition, overpayments attributed to disabled beneficiaries who had engaged in SGA was a leading cause of IPs in the OASDI program.[30] SSA uses the term SGA to describe the level of work activity and earnings that could affect a disabled beneficiary's eligibility for benefits.[31] As shown in Figure 4, SSA's estimated overpayments that resulted from SGA deficiencies fluctuated from FYs 2020 through 2024.

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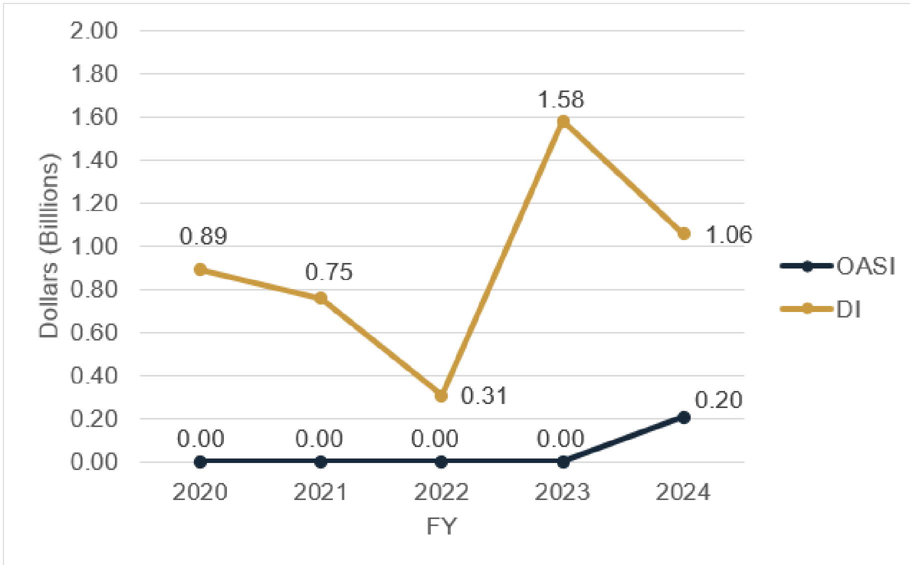
[29] See Footnote 23.

[30] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 180 (January 2026).

[31] SSA, *POMS*, DI 10501.001 (January 5, 2007).

Figure 4: OASDI SGA Overpayment Deficiency Dollars— FYs 2020 Through 2024[32]



SSA has developed multiple wage-reporting systems to mitigate IPs based on wage discrepancies, including SSI recipients' self-reporting through telephone, mobile, and online methods. In 2025, SSA implemented the payroll information exchange, which allows it to obtain monthly earnings data from third-party payroll data providers if the beneficiary or recipient authorizes SSA to obtain their wage data.

As of September 2025, SSA reported it sent approximately 10.7 million monthly requests through the payroll information exchange. According to SSA's subject-matter experts, ". . . the third-party payroll data available to SSA covers roughly two-thirds of the U.S. non-farm payroll, leaving about one-third of payroll data unrepresented." Subject-matter experts indicated they were analyzing ways to identify individuals employed by participating employers for whom the Agency did not yet have authorization to access wage data. They also stated SSA will continue exploring additional solutions to obtain wage information for workers not covered by the exchange. We encourage SSA to continue evaluating ways to expand the payroll information exchange.

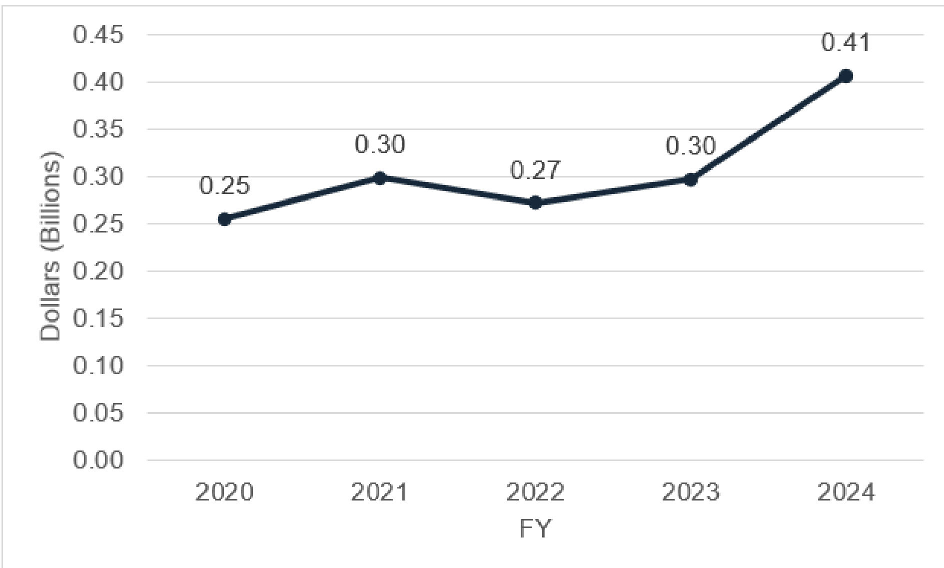
[32] RQ provided the deficiency dollar amounts. We did not independently verify these data. SSA stated, "The annual sample does not provide statistically reliable information about the individual deficiencies in a given year; therefore, we summarize deficiency data over a 5-year."

Overpayments Caused by In-kind Support and Maintenance

According to SSA, ISM discrepancies are a leading cause of IPs in the SSI program.[33] SSI recipients can receive ISM in the form of food, shelter, or both from anyone living within or outside their household. SSA may reduce an SSI recipient's monthly payment for any ISM received for shelter unless they are paying their share of household expenses, and recipients and their representative payees are required to notify SSA when household expenses change.

SSA includes a tolerance that prevents it from assessing ISM if a recipient is within a specific dollar amount of meeting their share of expenses. In October 2021, SSA increased the tolerance from $5 to $20.[34] Figure 5 shows SSA's estimated overpayments that resulted from ISM deficiencies in FYs 2020 through 2024.

Figure 5: SSI ISM Overpayment Deficiency Dollars—FYs 2020 Through 2024[35]



[33] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 186 (January 2026).

[34] SSA, *POMS,* SI 00835.160, C.2. (September 29, 2023).

[35] See Footnote 23.

SSA provided the following response regarding the increase in overpayments from FYs 2023 to 2024, based on RQ's stewardship review sample.

> Recipients and their representative payees are required to notify us when a change occurs that affects their SSI eligibility and payment amount, such as changes in their personal living arrangements. Failure to report these payment-affecting changes continues to be the primary cause of overpayment errors. There are no tools to identify living arrangement errors, and the SSI program continues to rely heavily on recipients to report changes timely to prevent errors. The [SSI] stewardship review does not capture data to conduct analysis of national economic factors that could impact SSI improper payments, so we do not have an explanation for the increase in overpayment deficiency dollars related to [ISM] from 2023-2024.

SSA issued three final rules, related to ISM, that became effective September 30, 2024.

1. The Agency no longer includes the value of food given to SSI recipients as ISM in its income-counting calculations, which the Agency anticipates will lead to fewer benefit recalculations and, thus, fewer IPs.[36]

2. The Agency updated how it determines the amount of rental subsidy/ISM when there is a parental-child relationship between the landlord or the landlord's spouse and the recipient.[37]

3. The Agency expanded the definition of a public assistance household to include the Supplemental Nutrition Assistance Program as an additional means-tested public income-maintenance program and include households in which any other (as opposed to every other) household member receives public assistance.[38]

It will take several years from implementation for SSA to determine whether these new rules will reduce IPs caused by ISM discrepancies. We encourage SSA to continue developing and identifying regulations that would reduce ISM IPs and study the effectiveness of the current corrective actions on IPs.

Overpayments Caused by Relationship and Dependency

In FY 2025, SSA reported that one of the leading causes of overpayments in the OASDI program was relationship and dependency. Marital standing and child relationship factors are material when the Agency determines entitlement to certain benefits, and errors can occur when a beneficiary does not report a marriage, divorce, or remarriage timely.[39] Figure 6 shows the relationship and dependency overpayment deficiency dollars SSA estimated for FYs 2020 through 2024.

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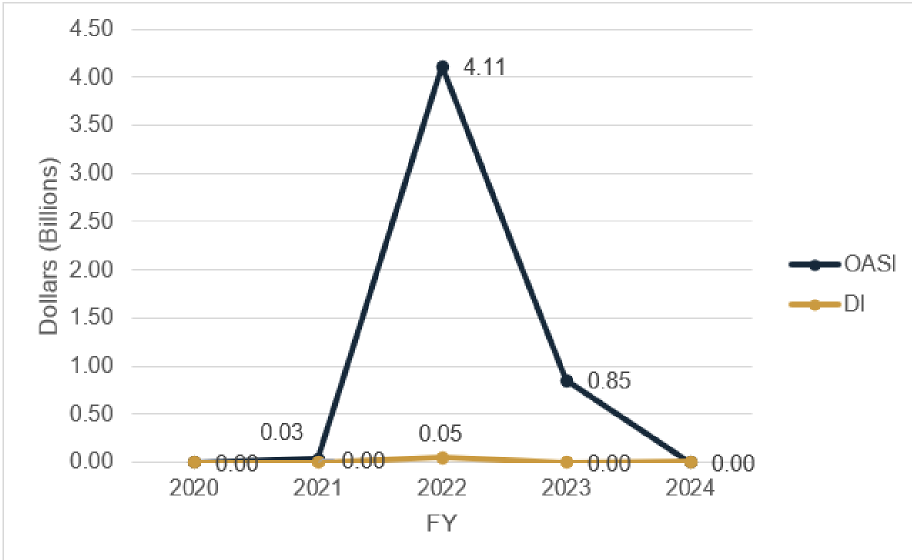
[36] *Omitting Food from In-Kind Support and Maintenance Calculations*, 89 Fed. Reg. 21199 (March 27, 2024).

[37] *Expansion of the Rental Subsidy Policy for Supplemental Security Income (SSI) Applicants and Recipients*, 89 Fed. Reg. 25507 (April 11, 2024).

[38] *Expand the Definition of a Public Assistance Household*, 89 Fed. Reg. 28608 (April 19, 2024).

[39] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 180 (January 2026).

Figure 6: OASDI Relationship and Dependency Overpayment Deficiency Dollars—FYs 2020 Through 2024[40]



Based in part on a prior audit recommendation, SSA developed and finalized the IPAS for Relationship and Dependency in FY 2025.[41] SSA's main mitigation strategies for errors related to relationship and dependency are to provide additional training to its employees, clarify policy and educate the public about reporting these types of changes timely.[42]

Overpayments Caused by Computations

In FY 2025, SSA reported that one of the leading causes of overpayments in the OASDI program was computations. Inaccurate information or administrative mistakes can cause errors in benefit calculations.[43] SSA's estimated overpayments related to computations fluctuated from FYs 2020 to 2024, as shown in Figure 7.

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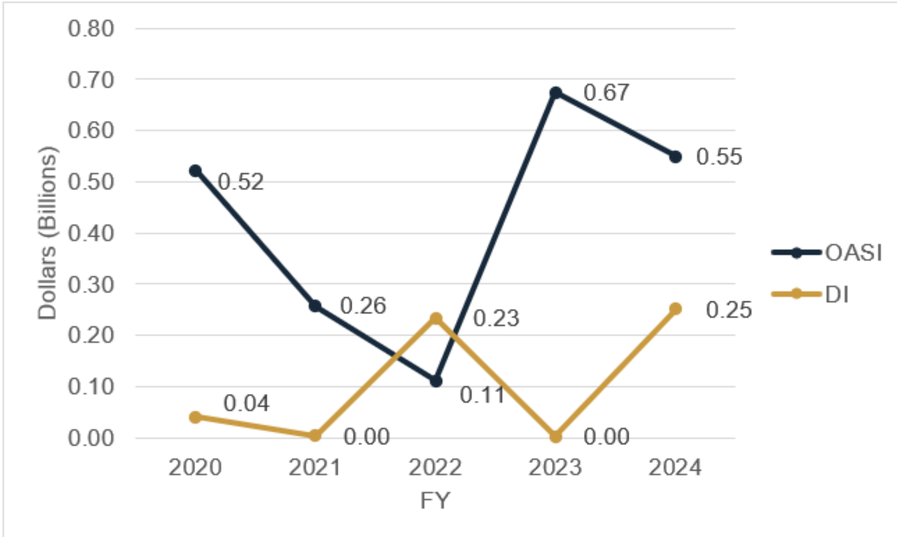
[40] See Footnote 32.

[41] SSA, OIG, *Compliance with the Payment Integrity Information Act of 2019 in the Fiscal Year 2024, 152415,* p. 18 (May 2025).

[42] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 180 (January 2026).

[43] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, p. 178 (January 2026).

Figure 7: OASDI Computations Overpayment Deficiency Dollars—FYs 2020 Through 2024[44]



SSA provided the following explanation for why the DI computations deficiency dollars increased from FY 2023 to 2024, based on RQ's stewardship review sample, ". . . there were eight cases, including seven that had been entitled to benefits for more than 36 months. Of these eight cases, six had a weighted deficiency exceeding $1 million each." Because of SSA's sampling methodology, the weighted cases resulted in an increase in the overpayment deficiency dollar projection compared to the previous FY.

For FYs 2020 to 2024, SSA determined the leading cause of computations deficiencies that resulted in overpayments was the windfall elimination provision (WEP).[45] During this period, WEP accounted for approximately $931 million (35 percent) of the computation overpayments for the OASDI program. Under WEP, SSA used a modified formula to determine a wage earner's monthly Social Security benefit to eliminate "windfall" Social Security benefits for retired and disabled workers who received non-covered pensions. In January 2025, the *Social Security Fairness Act of 2023* was signed into law, repealing WEP and increasing monthly benefits for millions of beneficiaries previously affected by WEP.[46] We anticipate the repeal will cause a decrease in overpayment computation errors caused by WEP in future PIIA reporting periods.

[44] See Footnote 32.

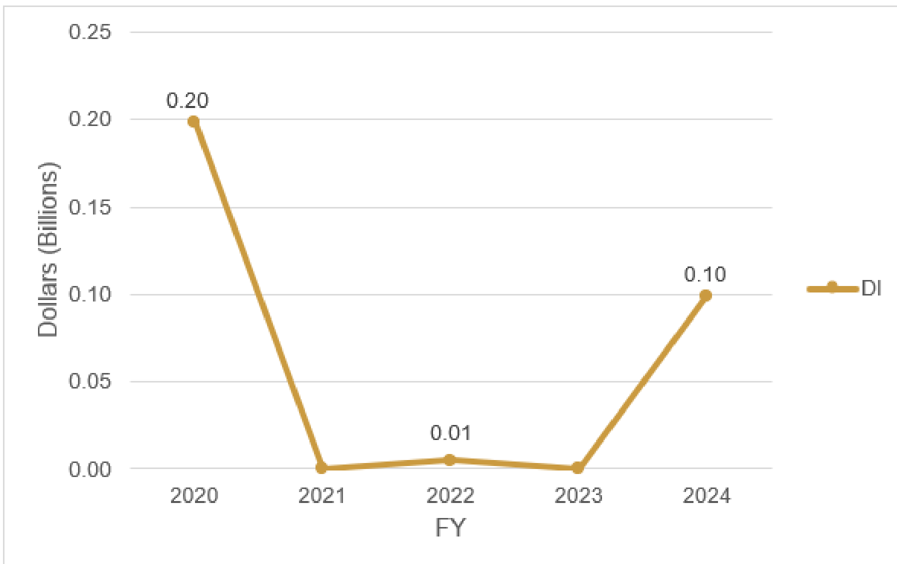
[45] WEP could affect how SSA calculates a retirement or disability benefit. Before December 2023, if a beneficiary worked for an employer that did not withhold Social Security taxes from their salary, any pension they received from that employer could reduce Social Security benefits. SSA, *Windfall Elimination Provision, Publication No. 05-10045* (2025). The *Social Security Fairness Act of 2023*, Pub. L. No. 118-273, 138 Stat. 3232 (2025), repealed WEP.

[46] *Social Security Fairness Act of 2023,* Pub. L. No. 118-273, 138 Stat. 3232 (2025).

Overpayments Caused by Workers' Compensation and Public Disability Benefits

In FY 2025, SSA reported that one of the major causes of improper payments in the DI program was workers' compensation (WC) and public disability benefits (PDB).[47] Because these programs are state-administered, the coverage for benefits is different based on state-specific rules, which can lead to errors in the amount of DI benefits due. Figure 8 shows the WC and PDB overpayment deficiency dollars SSA estimated for FYs 2020 through 2024.

Figure 8: DI WC and PDB Deficiency Dollars— FYs 2020 Through 2024[48]



SSA provided the following explanation for why the DI WC and PDB deficiency dollars increased from FY 2023 to 2024, based on RQ's stewardship review sample.

> Two cases were involved. In the first case, an $85 million weighted overpayment occurred because the [WC] offset was never applied. In the second case, incorrect earnings were removed from the record, which reduced the Primary Insurance Amount (PIA) and High Average Current Earnings (ACE). This led to a greater WC offset amount and resulted in a $14 million weighted overpayment.

[47] SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, pp. 178 and 182 (January 2026).

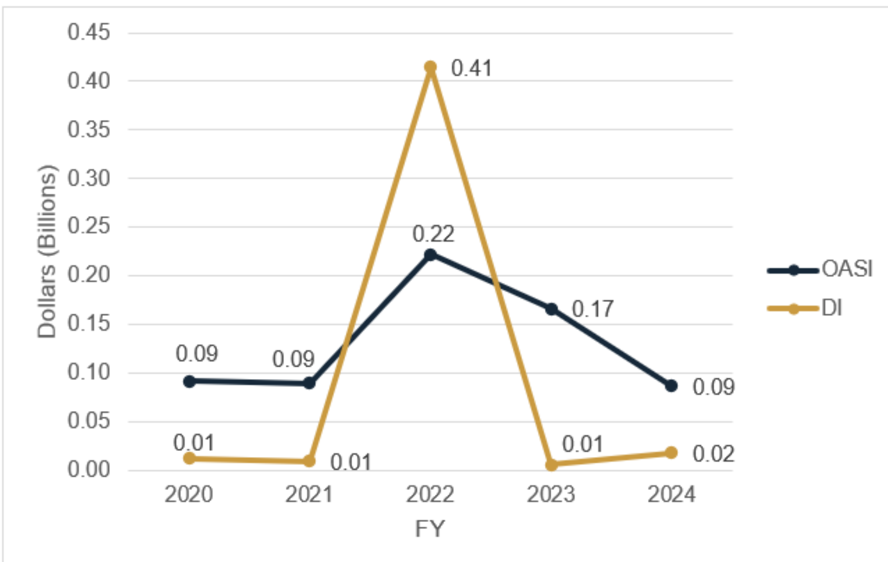
[48] See Footnote 32. For FYs 2020 through 2024 OASI deficiency dollars for WC and PDB was $0.

Federal Employees' Compensation Act payments to eligible Federal employees can also offset OASDI benefits.[49] In December 2023, SSA established a memorandum of understanding with the Department of Labor to obtain data from an employee compensation portal. Through this portal, SSA employees can submit individual real-time queries to obtain *Federal Employees' Compensation Act* data and complete computations. SSA's only corrective action to reduce IPs for WC and PDB is the *Federal Employees' Compensation Act* data exchange. SSA stated it was working on completing a computer matching agreement to improve efficiency and accuracy by eliminating the need for manual queries and transitioning to a batch process.

Overpayments Caused by Earnings History

In FY 2025, SSA reported that one of the leading causes of overpayments in the OASDI program was earnings history.[50] SSA calculates benefits using up to 35 years of the beneficiary's average indexed monthly earnings. Inaccurate earnings information can cause benefit calculation errors.[51] Figure 9 shows SSA's estimated overpayments in FYs 2020 through 2024 that were caused by earnings history deficiencies.

Figure 9: OASI and DI Earnings History Deficiency Dollars— FYs 2020 Through 2024[52]



To reduce IPs that result from inaccurate earnings history, the Agency releases policy and instructions to staff on updates for the claims process. We encourage SSA to continue developing and identifying actions that would reduce earnings history IPs.

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49 20 C.F.R. part 10.

50 SSA, *Agency Financial Report Fiscal Year 2025: Payment Integrity*, pp. 178 and 182 (January 2026).

51 SSA, *Benefit Calculation Examples for Workers Retiring in 2026*, ssa.gov (April 21, 2026).

52 See Footnote 32.

Overpayments Caused by Recipients' Absence from the United States

SSI recipients are generally ineligible for payments once they are absent from the United States for 30 consecutive days.[53] In May 2019, to reduce reliance on self-reporting, SSA entered into a data exchange agreement with the Department of Homeland Security to obtain foreign travel data (FTD). The multi-phase FTD project began in FY 2019 and, according to SSA, resource constraints negatively affected the project's subsequent phases. While SSA had not determined this to be one of the leading causes of IPs for the SSI program, the FTD project could reduce the occurrence of overpayments to individuals absent from the United States.

SSA did not fund the expansion of the FTD project in FYs 2020 and 2022 through 2025. In our FY 2024 report, we recommended SSA complete the FTD exchange project.[54]
In December 2025, SSA published policy to expand the use of FTD and committed to work with the Department of Homeland Security to complete a Computer Matching Agreement in FY 2026. SSA should continue working toward the completion of the FTD exchange project.

Office of the Inspector General Oversight

We are overseeing the Agency's administration of the SSI and OASDI programs through various audits. In FY 2025, we issued 49 reports that identified over $708 million in questioned costs and over $976 million in Federal funds that could be put to better use. In January 2026, we reported SSA faced major challenges in improving the prevention, detection, and recovery of IPs.[55] See Appendix D for our FY 2025 reports related to improving the prevention, detection, and recovery of IPs.

CONCLUSION

While SSA has made progress implementing corrective actions to address IPs, it still has work to do. SSA must be a responsible steward of the funds entrusted to its care by minimizing the risk of making IPs and recovering overpayments when they occur. In FY 2025, SSA issued over $1.6 trillion in benefit payments. Even the slightest error in the overall payment process can result in millions of dollars in IPs. Preventing IPs is more advantageous than recovering them since the Agency must expend additional resources to recover overpayments or process additional actions to rectify underpayments. SSA should prioritize and pursue actions to implement prior audit recommendations as well as implement new, or expand existing, corrective actions to reduce the occurrence of IPs.

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[53] 42 U.S.C. § 1382(f) and 20 C.F.R. § 416.215.

[54] SSA, OIG, *Compliance with the Payment Integrity Information Act of 2019 in the Fiscal Year 2024, 152415,* p. 18 (May 2025).

[55] SSA, OIG, T*he Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025*, *042513*, p. 20 (January 2026).

Recommendations

We are not making new recommendations in this report. In our prior audit reports, we recommended SSA:

- Conduct a study to expand AFI searches between the SSI initial application and subsequent eligibility redeterminations.[56]
- Complete the FTD exchange project.[57]

As of the date of this report, SSA had not implemented these recommendations. We encourage SSA to continue working to implement open recommendations from our prior reports.

SSA reviewed our draft report and provided technical comments, which we incorporated into this final report as appropriate. SSA had no formal comments (see Appendix E).

[56] SSA, OIG, *Compliance with the Payment Integrity Information Act of 2019 in the Fiscal Year 2022, A-15-22-51183,* p. 12 (May 2023).

[57] SSA, OIG, *Compliance with the Payment Integrity Information Act of 2019 in the Fiscal Year 2024, 152415,* p. 18 (May 2025).

APPENDICES

Appendix A – AGENCY REPORTING REQUIREMENTS

Office of Management and Budget (OMB) Circular A-136 outlines the information Federal agencies are required to address in their annual *Agency Financial Report* or *Performance and Accountability Reports*. This information includes actions taken to address audit recovery recommendations.[1] OMB guidance defines significant improper payments (IP) as either exceeding $10 million and 1.5 percent of the program's total annual outlays or exceeding $100 million, regardless of the associated percent of the program's total outlays.[2] For each program and activity identified as at-risk for significant IPs, the Social Security Administration (SSA) is required to use a sampling estimation methodology to produce a statistically valid estimate of the IPs and include those estimates in the materials that accompany the Agency's annual financial statements.[3]

Annual Data Call

The Agency must complete the Annual Data Call issued by OMB and provide a link to paymentaccuracy.gov in their *Agency Financial Report*.[4] The data call instructions require that agencies complete a survey for agency compliance with the *Payment Integrity Information Act of 2019*, fraud, do not pay initiatives, recovery activities/audits, and program-level questions for each program with significant IPs.

Quarterly Scorecards

Each quarter, high-priority programs must provide information through a mechanism determined by OMB. Agencies provide this information through quarterly surveys, and the collected information is published quarterly in a Payment Integrity Scorecard on paymentaccuracy.gov. This published information fulfills the High Dollar Overpayment Reporting Requirements[5] and the High-Priority Program Reporting Requirements.[6]

The quarterly survey questions require that agencies report

- a description of the program;
- the status of each of the actions taken in the quarter;
- the leading root causes of IPs, the mitigation strategies to develop and address the root causes, and the impact of the mitigation strategies;

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[1] OMB, *Financial Reporting Requirements*, *Circular A-136 Revised*, section II.4.5 pp. 106 and 107 (2025).

[2] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, part II, sec. (C)(1), p. 19 (2021).

[3] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, part II, sec. (B), pp. 17 and 18 (2021).

[4] OMB, *Financial Reporting Requirements*, *Circular A-136 Revised*, section II.4.5 p. 106 (2025).

[5] Reducing Improper Payments, Executive Order 13520, 74 Fed. Reg. 62,201 and 62,203 (November 25, 2009).

[6] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, part VII, sec. (B)(1), p. 56 (2021).

- the top two goals for the quarter, the progress of them, and the expected completion dates;
- the top three accomplishments and completion dates; and
- actions taken to recover overpayments.

Appendix B – INSPECTOR GENERAL REPORTING REQUIREMENTS

Our compliance review for Fiscal Year (FY) 2025 used a combination of requirements in Office of Management and Budget (OMB) Circulars A-123, Appendix C, *Requirements for Payment Integrity Improvement,*[1] and A-136 *Financial Reporting Requirements;*[2] OMB Annual Data Call Instructions;[3] OMB Quarterly Surveys;[4] and the Council of the Inspectors General on Integrity and Efficiency's guidance required under the *Payment Integrity Information Act of 2019* (PIIA).[5]

OMB guidance specifies that each agency's Inspector General review the improper payment (IP) information in its annual *Agency Financial Report* or *Performance and Accountability Report* and accompanying materials[6] to determine whether the agency complied with PIIA.[7] According to OMB, compliance with PIIA means the agency has

1. published payment integrity information with the annual financial statement;
2. posted the annual financial statement and accompanying materials on the agency website;
3. conducted an IP risk assessment for each program with annual outlays greater than $10 million in at least 1 of the last 3 years;
4. adequately concluded whether the program is likely to make IPs and Unknown Payments (UP) above or below the statutory threshold;
5. published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the annual financial statement;
6. published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement;

[1] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, (2021).

[2] OMB, *Financial Reporting Requirements*, *Circular A-136 Revised* (2025).

[3] OMB annual data call instructions are posted to a restricted access government website.

[4] OMB, *OASI Program Scorecards*, paymentaccuracy.gov (April 9, 2026). OMB, *DI Program Scorecards*, paymentaccuracy.gov (April 9, 2026). OMB, *SSI Program Scorecards*, paymentaccuracy.gov (April 9, 2026).

[5] Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act OIG Compliance Reviews* (2025).

[6] Accompanying materials include information provided by SSA through the annual data calls and quarterly surveys to OMB that is used to populate information on paymentaccuracy.gov, including quarterly program scorecards, annual IP datasets, and the annual IPs dashboard.

[7] *Payment Integrity Information Act of 2019*, Pub. L. No. 116 and 117, 134 Stat. 113 (2020).

7. published IP and UP reduction targets for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement;

8. demonstrated improvements to payment integrity or reached a tolerable IP and UP rate;

9. developed a plan to meet the IP and UP reduction target; and

10. reported an IP and UP estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement.

According to OMB, if a Federal agency does not meet one or more of these requirements, it is not compliant with PIIA.[8]

Quarterly Scorecards

OMB requires that each agency's Inspector General assess the information provided on the agency's quarterly scorecards published on paymentaccuracy.gov and determine the extent of Inspector General oversight warranted to prevent monetary loss IPs. In addition, based on the information provided on the quarterly scorecards, the Inspector General may provide the agency head with concrete and actionable recommendations for modifying the agency's plans to recover monetary loss IPs as well as any actions the agency intends to take to prevent IPs and UPs from occurring in the future.

[8] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, Part VI, sec. (A), pp. 43 through 49 (2021).

Appendix C – Scope and Methodology

To accomplish our objective, we:

- Reviewed the *Payment Integrity Information Act of 2019* (PIIA);[1] Office of Management and Budget (OMB) Circulars A-123, Appendix C, *Requirements for Payment Integrity Improvement,*[2] and A-136, *Financial Reporting Requirements;*[3] OMB Annual Data Call Instructions;[4] and Council of the Inspectors General on Integrity and Efficiency's guidance[5] to ensure compliance with all requirements of PIIA.

- Reviewed the payment integrity section of the Social Security Administration's (SSA) Fiscal Year (FY) 2025 *Agency Financial Report* and FY 2025 accompanying materials, which include information SSA provides through quarterly surveys and annual data calls to OMB. This information is used to populate information on paymentaccuracy.gov and includes quarterly program scorecards, annual improper payment datasets, and the annual improper payments dashboard.

- Reviewed applicable Federal laws and regulations and SSA's *Program Operations Manual System*.

- Requested and analyzed source data from SSA's components under Risk and Quality to support material figures and statements in the *Agency Financial Report* and accompanying materials for accuracy and completeness.

- Reviewed meeting minutes for the Improper Payments Oversight Board and Associate Commissioner Improper Payments Roundtable.

- Reviewed the Improper Payments Prevention Team monthly initiatives at a glance and Improper Payments Alignment Strategies.

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[1] *Payment Integrity Information Act of 2019 (PIIA),* Pub. L. No. 116-117, 134 Stat. 113 (2020).

[2] OMB, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, M-21-19*, (2021).

[3] OMB, *Financial Reporting Requirements*, *Circular A-136 Revised* (2025).

[4] OMB annual data call instructions are posted to a restricted access government website.

[5] Council of the Inspectors General on Integrity and Efficiency, *Guidance for Payment Integrity Information Act OIG Compliance Reviews* (2025).

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

- Component 1: Control Environment
  - Principle 2: Exercise oversight responsibility
- Component 2: Risk Assessment
  - Principle 7: Identify, analyze, and respond to risk
  - Principle 9: Analyze and respond to change
- Component 3: Control Activities
  - Principle 10: Design control activities
- Component 4: Information and Communication
  - Principle 15: Communicate externally
- Component 5: Monitoring
  - Principle 17: Evaluate issues and remediate deficiencies

Using the information we obtained from SSA and documentation we reviewed, we determined the data we used during our audit were sufficiently reliable given our objective and the intended use of the data should not lead to incorrect or unintentional conclusions.

We conducted our audit from December 2025 through June 2026. The primary SSA entity audited was the Risk and Quality component. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix D – Fiscal Year 2025 Office of the Inspector General Reports

The following Office of the Inspector General reports were related to improving the prevention, detection, and recovery of improper payments.

- *Match of New York City Death Information Against Social Security Administration Records*, 022333 (December 2024)
- *State Workers' Compensation Offset (Colorado and Minnesota)*, 022403 (January 2025)
- *Overpayments Assessed in Fiscal Years 2020 Through 2023*, 062405 (February 2025)
- *Match of Idaho Death Information Against Social Security Administration Records*, 062410 (March 2025)
- *The Social Security Administration's International Workloads in Processing Center 8*, 012305 (March 2025)
- *Rejection of State Death Reports*, 042304 (March 2025)
- *Individuals Who Elect to Receive Retirement Benefits After Age 70*, 012306 (June 2025)
- *Remittance Processing*, 072311 (July 2025)
- *Denied Disability Claims that Required Manual Notifications to Claimants*, 062317 (August 2025)
- *The Social Security Administration's Methodology for Estimating Improper Payments*, 152507 (September 2025)
- *Match of New York State Death Information Against Social Security Administration Records*, 022402 (September 2025)
- *Follow-up on Dually Entitled Beneficiaries and Family Maximum Provisions*, 052301 (September 2025)
- *Denied Child's Insurance Benefit Claims*, 032317 (September 2025)
- *Processing Old-Age, Survivors, and Disability Insurance Overpayments*, 072301 (September 2025)
- *Benefits Withheld Pending the Selection of a Representative Payee*, 052405 (September 2025)

Appendix E – AGENCY COMMENTS

SOCIAL SECURITY

Office of the Commissioner

MEMORANDUM

Date: July 8, 2026 **Refer To:** TQA-1

To: Michelle L. Anderson
Assistant Inspector General for Audit

From: Chad Poist
Chief Risk Officer

Subject: Office of the Inspector General Draft Memorandum "The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025" (152601) -- INFORMATION

Thank you for the opportunity to review the draft report. We have no comments.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao, Director of the Audit Liaison Staff.

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