

Disability Payments to Beneficiaries or Recipients Receiving Illinois or Texas Workers' Compensation Benefits

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration's (SSA) controls identified Disability Insurance (DI) beneficiaries and Supplemental Security Income (SSI) recipients who also received Illinois or Texas workers' compensation (WC) benefits.

Background

State WC programs provide medical and monetary benefits to people who are injured or have a work-related illness. Those eligible for WC benefits may also be entitled to SSA benefits. Under the *Social Security Act*, SSA may reduce DI benefits and/or SSI payments when a worker also receives periodic or lump-sum WC benefit payments.

SSA relies on disability claimants and beneficiaries to voluntarily disclose their WC benefit payment information. It is important that, during initial and subsequent interviews, SSA determine whether the beneficiary was, is, or will be entitled to WC benefits. SSA technicians are responsible for identifying potential WC offset when they review applications and forms.

We obtained WC benefit payment data from Illinois and Texas that identified individuals who had approved WC claims with incident/accident dates from January 2011 to December 2019. Our match of the data identified 19,207 beneficiaries who may have received DI or SSI and WC benefit payments during the same period.

Results

SSA's controls did not always identify Illinois or Texas WC benefits paid to DI beneficiaries and SSI recipients. In 35 of 100 randomly selected cases we reviewed, SSA did not identify Illinois or Texas WC benefit payments received by SSA disability beneficiaries or incorporate those amounts into its benefit payment computations.

SSA did not have access to accurate and complete WC benefit payment information for all states to match against SSA records. As a result, SSA depended on claimants and beneficiaries to self-disclose receipt of WC benefit payments. The errors in our sample cases resulted from a combination of SSA technician errors and beneficiaries' failure to disclose that they were receiving Illinois or Texas WC benefit payments.

Based on our sample results, we estimate SSA issued approximately \$28.6 million in overpayments to 5,186 beneficiaries who simultaneously received SSA disability payments and Illinois or Texas WC benefit payments.

Recommendations

SSA should:

1. Develop the 35 sample cases where Illinois or Texas WC benefit payment data were not reflected in beneficiaries' payment records and establish overpayments, as appropriate.
2. Evaluate the feasibility of a legislative proposal requiring states to provide WC payment information to SSA.
3. Update initial claim and post-entitlement processes to more explicitly request claimants and beneficiaries report whether they have received, will receive, or expect to receive WC benefit payment information.

SSA agreed with our recommendations.