

# Beneficiary and Recipient Data Provided to Support Issuance of Economic Impact Payments Authorized by the American Rescue Plan Act of 2021

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Office of Audit Report Summary

### Background

We conducted this review to address concerns that the timing of the Social Security Administration's (SSA) provision of beneficiary and recipient data to the Internal Revenue Service (IRS) delayed the issuance of economic impact payments (EIP) authorized by the *American Rescue Plan Act of 2021 (ARPA)*.

*ARPA* became law on March 11, 2021 and authorized a third round of IRS-administered EIPs (we refer to these payments as *EIP3s*). To assist in identifying Old-age, Survivors and Disability Insurance (OASDI) beneficiaries and Supplemental Security Income (SSI) recipients potentially eligible for *EIP3s*, the IRS requested SSA provide beneficiary and recipient data.

On March 25, 2021, SSA completed delivery of OASDI and SSI production data that provided IRS with information on approximately 72 million beneficiaries and recipients.

### Conclusion

SSA's provision of beneficiary and recipient data to IRS 14 days after *ARPA* was enacted did not delay issuance of *EIP3s*. IRS officials confirmed that SSA met the IRS' expectations regarding provision of SSA's data and the IRS and SSA worked together to get payments out as quickly as possible.

More than a month before *ARPA* was enacted, SSA informed the IRS that it could not legally expend Social Security Trust Funds or use unspent appropriated funding from prior rounds of EIPs to assist the IRS in issuing *EIP3s*. Therefore, before SSA could initiate this work, it required appropriated funding in the bill authorizing *EIP3s* or an approved Memorandum of Understanding (MOU) and a Reimbursable Agreement with IRS. When *ARPA* became law, it did not provide SSA funding to assist in *EIP3* administration. By March 17, 2021, SSA and IRS had signed an MOU and Reimbursable Agreement to fund the work necessary for SSA to produce requested data. SSA completed data provision on March 25, 2021.

IRS officials confirmed the IRS planned to send *EIP3s* to individuals with known bank account information in the initial batches of payments and send *EIP3s* to non-tax-return filers in subsequent batches of payments.

In accordance with its plans, during the first 3 batches of payments from March 17 through 31, 2021, the IRS sent approximately 131 million *EIP3s* to individuals (including SSA beneficiaries and recipients) who filed 2019 or 2020 tax returns or used the IRS' Non-filer tool to provide their bank account information. During the next 3 batches of payments from April 7 through 21, 2021, the IRS sent approximately 23 million *EIP3s* to non-tax-return filing SSA beneficiaries and recipients identified using SSA data; and approximately 405,000 *EIP3s* to Department of Veterans Affairs and Railroad Retirement Board beneficiaries identified through data matches with those agencies.