

Overpayments with Recovery Agreements that Will Extend Beyond 2049

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Office of Audit Report Summary

Objective

To (1) quantify the debt the Recovery of Overpayments, Accounting and Reporting (ROAR) system cannot track because it cannot process recovery actions beyond 2049; (2) assess the status of the Social Security Administration's (SSA) efforts to resolve the issues caused by its system limitation; and (3) project the growth in the number of overpayments, amount of untracked debt, and associated costs to process this workload through 2029.

Background

Overpayments occur when SSA pays beneficiaries more than it should for a given period. SSA records Old-Age, Survivors and Disability Insurance overpayments and tracks recovery actions in ROAR. If a beneficiary does not fully repay the overpayment, SSA recovers the overpayment by withholding monthly benefits. Beneficiaries may request that SSA withhold less than the full monthly benefit.

Because of a system limitation, ROAR cannot process overpayment recovery actions past the year 2049. However, for some overpayments, SSA approves recovery agreements that will extend beyond 2049. For these overpayments, ROAR deletes from the record the balance SSA must recover after 2049 and retains no record of the remaining balance.

Findings

At the end of Fiscal Year 2019, there were 100,766 overpayments that SSA may not fully recover by December 2049. The original balance of these overpayments totaled nearly \$4.2 billion, but ROAR could not account for over \$1.2 billion (30 percent).

SSA records the debt deleted from ROAR using a stand-alone manual diary control process. As a result, SSA cannot accurately account for the debt for many of these overpayments. SSA plans to resolve these issues when it implements a new debt management system. SSA is developing the new system and plans to implement it in Fiscal Year 2023.

We estimate the workload will increase by 34 percent by the end of 2023, adding more than 34,000 overpayments with almost \$414 million of new debt deleted from ROAR and nearly \$4.9 million of additional administrative costs.

If SSA does not resolve the issue by the end of 2029, we estimate the population will grow to more than 203,000 beneficiaries with nearly \$2.5 billion in untracked debt. At that time, processing the workload will require over 203,000 hours and more than \$28.7 million in administrative costs.

Recommendation

We recommended SSA establish consistent criteria to ensure it identifies existing overpayments for which ROAR deleted a portion of the overpayment balance as part of a plan to address the untracked debt amount when it implements a solution to the ROAR system limitation. SSA agreed with our recommendation.