

Challenges in Recovering Supplemental Security Income Overpayments

A-07-21-51018



July 2024

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) followed policies and used available tools, to prevent, detect, and recover Supplemental Security Income (SSI) overpayments.

Background

An SSI payment amount can vary month to month, depending on whether there are changes in a recipient's eligibility factors, such as resources, income, and/or living arrangements. An overpayment occurs when the total amount of benefits an individual receives for any period exceeds the total amount SSA should have paid the individual for that period.

SSA strives to keep SSI overpayments below a target percentage of SSI dollars paid annually. For example, in Fiscal Year (FY) 2022, SSA's target was to overpay less than 6 percent of the payments it made to SSI recipients. However, of the approximately \$57.6 billion in payments to SSI recipients, over \$4.6 billion (8 percent) were overpayments. In fact, each year from FYs 2012 through 2022, SSA overpaid more than the target rate.

To accomplish our objective, we reviewed random samples of 300 SSI recipients who had overpayments with outstanding balances and 100 who had overpayments with \$0 balances as of January 2022.

Results

SSA made errors on overpayments for 189 (47 percent) of the 400 sampled SSI recipients because it did not follow policies or use all available tools, to prevent, detect, or recover SSI overpayments. For example, overpayments could have been prevented or detected earlier, but employees made errors when they redetermined SSI eligibility. A redetermination is a review of a recipient or couple's non-medical eligibility factors (that is, income, resources, and living arrangements) to determine whether the recipient or couple is still eligible for, and receiving, the correct SSI payment amount.

Errors also occurred because employees did not always (1) send recipients complete and accurate due-process notices before they initiated recovery of overpayments; (2) follow policy when they processed waivers of overpayments; or (3) follow policy and use available tools to recover overpayments. When SSA identifies an overpayment, it sends the overpaid person written notification of the overpayment's cause and amount. Overpayment recovery can begin 60 days after SSA notifies the recipient of the overpayment if they have not requested a waiver of the overpayment collection or a reconsideration of the overpayment facts. If the individual is receiving SSI payments, SSA should begin recovery by withholding from ongoing payments. If the individual is no longer receiving SSI payments, SSA should attempt collection through various means including withholding from ongoing payments to a liable representative payee or spouse, cross-program recovery, referral for external collection through the Department of the Treasury or pursuing recovery from estates.

We estimate SSA did not follow its policies or use all available tools to prevent, detect, or recover SSI overpayments for 1.9 million recipients. For 1.7 million of these recipients, we estimated error amounts totaling over \$7 billion.

Recommendations

We made nine recommendations to improve SSA's use of policies and available tools to prevent, detect, and recover SSI overpayments. SSA agreed with our recommendations.