

Students Whose Benefits Were Erroneously Terminated When They Reached Age 18

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure children who reached age 18 and still attended school received benefits.

Background

Children may receive benefits if they are younger than age 18 and their parent is entitled to Old-Age, Survivors and Disability Insurance benefits.

They may also qualify for benefits if they are 18 and older when they are a student at an elementary or secondary school.

To be entitled to student benefits, beneficiaries must attend an educational institution full-time (at least 20 hours per week) and be age 19 and 2 months or younger. Student benefits cease either the month after the student stops attending school full-time or when the student attains age 19 and 2 months, whichever is sooner.

We identified 16,632 beneficiaries who were entitled as children and placed in terminated payment status when they reached age 18; however, SSA recorded they remained full-time students past the termination month on the benefit record.

Results

SSA did not have adequate controls to ensure children who reached age 18 and still attended school received benefits. SSA did not properly continue benefits for 87 of the 100 students in our sample once they reached age 18, which resulted in \$357,872 in underpayments. Based on our sample results, we estimate SSA underpaid 14,470 beneficiaries approximately \$59.5 million.

We concluded SSA employees incorrectly input student information on beneficiaries' records while using the Post Entitlement Online System and Modernized Claims System. This resulted in the termination of benefits for students aged 18 despite evidence of their continuing student enrollment. Further, SSA's Title II Redesign System generally did not create alerts instructing SSA employees to determine whether students were still due benefits past age 18.

Recommendations

SSA must improve its controls to ensure beneficiaries who reach age 18 and still attend school receive benefits to which they are entitled. We made five recommendations for SSA to take corrective action. SSA agreed with our recommendations.