

The Social Security Administration's Application of the Retirement Insurance Benefits Limitation and Reduced Widow(er)'s Benefit Policy

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) overpaid widows when it applied the *Social Security Act's* Retirement Insurance Benefits (RIB) limitation provision and the reduced widow(er)'s benefit policy.

Background

A beneficiary may choose to receive benefits before his/her full retirement age. If a deceased individual received reduced retirement or disability benefits before his/her death, the monthly widow(er)'s benefit amount is limited. SSA calls this the RIB limitation, which caps the monthly benefit payable to a widow(er) at the higher of the amount to which the deceased individual would receive if alive or 82½ percent of the decedent's base benefit amount for the month of death and subsequent base benefit amounts.

The correct benefit amount may be less than the RIB limitation if the beneficiary elected to receive reduced widow(er)'s benefits before his/her own full retirement age. In that case, the benefit amount is limited to the lesser of the RIB limitation or the reduced widow's benefit.

Findings

We estimate SSA overpaid approximately 1,846 widow(er)s \$28.7 million through November 2019. Because of the complexity of the RIB limitation and reduced widow's benefit calculations, Agency employees may need to calculate the correct benefit amount manually. While SSA systems issue alerts when manual processing is required, and the Agency provides employees with training and online tools, we found employees still made computational errors on these complex cases. The overpaid widow(er)s we identified comprise less than 1 percent of all widow(er)s receiving benefits from SSA.

The Agency has automated tools in place to help employees compute widow(er)'s benefits. However, some tools rely on manual input for complicated computations, which may increase the risk of error.

SSA is taking steps to improve manually processed workloads at its payment centers in response to other Office of the Inspector General reports, and is working to clarify processing instructions.

Recommendation

We recommended the Agency review the cases in our population to assess and recover the overpayments.

SSA agreed with the recommendation.