

Supplemental Security Income Recipients Who Have Earnings

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) considered Supplemental Security Income (SSI) recipients' earnings when it determined eligibility and payment amounts.

Background

SSI recipients are responsible for reporting any information that may affect their eligibility or payment amount.

Generally, the more income an SSI recipient has, the lower his/her payment will be. Furthermore, an individual who has too much income in a particular month is not eligible for SSI in that month.

SSA's systems alert Agency staff when financial information reported by recipients does not match information from other sources, such as other Federal and State agencies.

We identified 15,643 non-blind SSI recipients who were receiving payments as of July 2014. We identified these recipients from 1 of 20 Social Security number segments with at least 1 year of earnings on SSA's Master Earnings File between 2010 and 2013 that exceeded \$780 and did not have a current non-medical eligibility review pending. We selected a random sample of 275 of these cases for detailed analysis.

Findings

SSA did not always consider SSI recipients' earnings when it determined SSI eligibility and payment amounts. As a result, we identified some improper payments that were previously undetected.

The reasons over- and underpayments went undetected were SSA staff (a) did not take the necessary action to send information from the Modernized Supplemental Security Income Claims System to the Supplemental Security Record, (b) did not work alerts, and (c) cleared alerts without posting earnings. In reports issued in 2005 and 2012, we recommended SSA improve these areas, but, as of 2015, issues still existed.

Based on our sample results, we estimate that SSA improperly paid approximately \$64 million in SSI payments to about 38,600 SSI recipients because the Agency did not consider all their earnings when it calculated SSI payment amounts.

Recommendations

We recommend SSA:

- Remind employees to develop earnings alerts before clearing them and to send wage entries posted in the Modernized Supplemental Security Income Claims System to the Supplemental Security Record.
- Review the 34 improperly paid sample cases and take appropriate action.

SSA agreed with the recommendations.