

# Lump-sum Death Benefit

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Office of Audit Report Summary

### Background

The Social Security Administration (SSA) makes a one-time, lump-sum death payment to a surviving spouse or dependent child(ren) after an insured worker's death. Generally, SSA pays the surviving spouse who was living in the same household with the worker when he/she died. If there is no eligible surviving spouse, SSA pays the lump-sum death payment to the worker's dependent child(ren).

As of the date of this review, the maximum death payment an insured worker's family could receive was \$255, which has remained the same for decades.

### Findings

From 2010 through 2014, SSA paid over \$1 billion in lump-sum death benefits to the survivors of over 4 million deceased workers. Although SSA does not track the costs of administering the lump-sum death benefit program, it has completed administrative cost estimates for proposed lump-sum death benefit legislation and other inquiries using the best available information, including knowledge from subject matter experts. As such, SSA estimates that it spends about \$10 million, annually, to administer the lump-sum death benefit program. SSA projects the amount of lump-sum death benefit costs will increase as the number of baby boomer deaths increases.

Over the years, various proposals would have changed or eliminated the lump-sum death benefit. For example, two Presidential budgets, Congress, and the Advisory Council on Social Security proposed either changing, eliminating, or modifying the lump-sum death benefit.

While we are not making any recommendations regarding changes to the current lump-sum death benefit, we believe the information discussed in this report may be useful to SSA and the Congress in future discussions.