Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Payments to Student Beneficiaries

022515 September 2026

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 23, 2026 **Refer to:** 022515

To: Frank Bisignano
Commissioner

From: Michelle L. Anderson Michelle L Anderson
Assistant Inspector General for Audit as First Assistant

Subject: Payments to Student Beneficiaries

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration accurately paid student benefits to eligible beneficiaries.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Jeffrey T. Brown, Deputy Assistant Inspector General for Audit.

Attachment

Payments to Student Beneficiaries
022515

September 2026 **Office of Audit Report Summary**

Objective

To determine whether the Social Security Administration (SSA) accurately paid student benefits to eligible beneficiaries.

Background

The Old-Age, Survivors, and Disability Insurance (OASDI) program provides monthly benefits to retired and disabled workers and their dependents as well as the survivors of deceased workers. The minor child of an insured worker may receive Social Security benefits until they reach age 18. A child beneficiary may continue receiving benefits after they reach age 18 if they qualify as a student beneficiary.

Before an eligible child beneficiary turns 18 and OASDI benefits terminate, SSA sends the beneficiary a Form SSA-1372, *Advance Notice of Termination of Child's Benefits*. The beneficiary must complete the Form and have a school official certify the information. The beneficiary then submits the completed Form and SSA uses the information to determine eligibility for continued benefits.

We identified 521,393 beneficiaries who were entitled to student benefits for 1 or more months from January 2022 through December 2024. We randomly selected 100 of these beneficiaries to determine whether SSA accurately paid student benefits to eligible beneficiaries.

Results

Of the 100 beneficiaries we reviewed, SSA correctly paid benefits to 71 in accordance with policy. However, SSA did not correctly pay benefits to 17 beneficiaries. In addition, SSA did not retain documentation to support benefit payments to 12 beneficiaries.

SSA did not correctly pay benefits to 17 beneficiaries as follows.

- For nine, beneficiaries and school officials did not provide SSA accurate or current school attendance information that affected eligibility for student benefits, and SSA was unaware the information contained errors.

- For eight, SSA employees did not correctly use available school attendance and graduation information to determine the duration of student benefit eligibility.

In addition, SSA employees did not retain completed Forms SSA-1372 for 12 of the 100 beneficiaries, as required. Without evidence, we could not determine whether the individuals were entitled to the student benefits SSA paid them. As a result, SSA improperly paid beneficiaries $49,447 and could not support an additional $93,466 in benefit payments.

Based on our sample results, we estimate SSA improperly paid approximately $211 million to about 89,000 beneficiaries. In addition, we estimate SSA made approximately $342 million in unsupported payments to about 63,000 student beneficiaries.

Recommendations

We made three recommendations for SSA to review and take corrective action on errors our audit identified and identify factors that contribute to (a) beneficiaries and school officials not reporting changes in school attendance or graduation dates that affect eligibility for student benefits, (b) employees not accurately terminating student benefits at the correct time, and (c) employees not retaining completed Forms SSA-1372 in SSA systems, and take appropriate corrective actions. SSA agreed with our recommendations.

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ABBREVIATIONS

OASDI	Old Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
U.S.C.	United States Code

FORM

Form SSA-1372	*Advance Notice of Termination of Child's Benefits*

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) accurately paid student benefits to eligible beneficiaries.

BACKGROUND

The Old-Age, Survivors, and Disability Insurance (OASDI) program provides monthly benefits to retired and disabled workers and their dependents as well as the survivors of deceased workers.[1] The minor child of an insured worker may receive Social Security benefits until they turn 18.[2] A child beneficiary may continue receiving benefits after they turn 18 if they qualify as a student. To qualify for student benefits, an individual must be unmarried, age 18 or 19 and meet certain conditions, and enrolled full-time in an elementary or secondary school. Finally, the individual cannot be paid by an employer to attend school or be incarcerated.[3]

Before an eligible child beneficiary turns 18 and their OASDI benefits terminate, SSA sends the beneficiary a Form SSA-1372, *Advance Notice of Termination of Child's Benefits*. SSA uses the Form to verify the beneficiary attends school full-time and is eligible for student benefits. The beneficiary must provide the name and type of school they attend, the dates they have attended school, and other information relevant to their eligibility for student benefits. After a school official reviews and certifies the Form, the beneficiary submits the completed Form to SSA. If SSA determines the student is eligible, it approves and continues benefit payments. Employees must retain the completed Form SSA-1372 in SSA's systems to document the beneficiary's school attendance and support eligibility for student benefits.[4]

In general, student benefits end the first day of the month after the student completes the school year. However, if a student reaches age 19 before they graduate, the month benefits end depends on the school's operational period (for example, full year or semester basis) and the student's graduation date. For example, when a beneficiary turns 19 during the year in which a school operates on a full-year basis, their benefits end the earlier of (1) the first day of the third month after the student turns 19 or (2) the first day of the month after the student completes the school year.

PRIOR AUDIT

In a December 2014 review, we found beneficiaries and school officials did not always provide SSA accurate or current school attendance information; employees did not always correctly determine the duration of student benefit eligibility; and employees did not always retain completed Forms SSA-1372 as required. We estimated SSA overpaid approximately $225 million in student benefits to about 106,000 beneficiaries. We also estimated SSA did not have evidence of school attendance for approximately $968 million in student benefits paid to

[1] *Social Security Act* §§ 202 and 223, 42 U.S.C.§§ 402 and 423.

[2] SSA, *POMS,* RS 00203.035, (April 1, 2026).

[3] SSA, *POMS,* RS 00205.001, (September 7, 2023).

[4] SSA, *POMS,* GN 01085.030, (January 3, 2025).

about 246,000 beneficiaries.[5] According to SSA, in response to our recommendations, it notified organizations, government agencies, and school systems of the importance of timely reporting changes in student attendance and reminded employees that they must retain evidence of student attendance.

Scope and Methodology

We identified 521,393 beneficiaries who were entitled to student benefits for 1 or more months from January 2022 through December 2024. We randomly selected 100 of these beneficiaries and, for each beneficiary, we did the following.

- Contacted the school identified on the beneficiary's Form SSA-1372 to verify the dates the beneficiary attended the school and their graduation date.
- Confirmed SSA paid the beneficiary accurately based on verified attendance information, the student's age, and the school's academic period.
- Calculated the amount of any improper payments when the beneficiary's student benefits had not been correctly paid.

For more information about our scope and methodology, see Appendix A. For details on our sampling methodology and results, see Appendix B.

Results of Review

Of the 100 beneficiaries we reviewed, SSA correctly paid benefits to 71 in accordance with policy.[6] However, SSA did not correctly pay benefits to 17 beneficiaries. In addition, SSA did not retain documentation to support benefit payments to 12 beneficiaries. SSA did not correctly pay benefits to 17 beneficiaries as follows.

- For nine, beneficiaries and school officials did not provide SSA accurate or current school attendance information that affected eligibility for student benefits, and SSA was unaware the information contained errors.
- For eight, SSA employees did not correctly use available school attendance and graduation information to determine the duration of student benefit eligibility.

In addition, SSA employees did not retain completed Forms SSA-1372 for 12 of the 100 beneficiaries, as required. Without evidence, we could not determine whether the individuals were entitled to the student benefits SSA paid them.

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[5] SSA, OIG, *Payments to Student Beneficiaries, A-09-13-13059*, p. 2 (December 2014).

[6] For 55 of the 71 beneficiaries, we verified school attendance with the schools they attended. For the remaining 16 beneficiaries, although SSA paid student benefits in accordance with policy based on information reported on the Forms SSA-1372, we could not verify school attendance because the schools did not respond to our requests for confirmation.

As a result, SSA improperly paid beneficiaries $49,447 and could not support an additional $93,466 in benefit payments.

Based on our sample results, we estimate SSA improperly paid approximately $211 million to about 89,000 beneficiaries. In addition, we estimate SSA made approximately $342 million in unsupported payments to about 63,000 student beneficiaries.

School Attendance Information

Of the 100 student beneficiaries we reviewed, neither the beneficiaries nor school officials provided accurate or current school attendance information that affected eligibility for 9 students' benefits. Six of the nine students and their school officials did not notify SSA they had stopped attending school earlier than expected. We confirmed with the beneficiaries' schools that the beneficiaries stopped attending school earlier than the dates reported on their Forms SSA-1372. Consequently, because SSA was not notified of these changes, it continued paying benefits beyond the period for which the beneficiaries were eligible. As a result, SSA overpaid the six beneficiaries a total $28,981.

Example 1. A beneficiary reported on the Form SSA-1372 they expect to graduate in June 2023. However, we confirmed with a school official the beneficiary stopped attending school in January 2023. Because SSA was not informed the beneficiary was not a full-time student, it paid student benefits for 5 months after the beneficiary was no longer eligible, which resulted in a $9,330 overpayment.

The remaining three beneficiaries had Forms SSA-1372 certified by beneficiaries and school officials that contained incorrect graduation dates. We confirmed with the beneficiaries' schools that the three beneficiaries graduated later than the dates reported on their Forms SSA-1372. Consequently, they remained eligible for benefits for a longer period. As a result, SSA underpaid the three beneficiaries $4,441.

Example 2. A beneficiary reported on their Form SSA-1372 they expected to graduate in May 2024. However, we confirmed with a school official the beneficiary graduated in June 2024. Based on the graduation date reported on the Form, SSA terminated the beneficiary's student benefits in May. As a result, the Agency did not pay the beneficiary $1,210 they were entitled to receive for June 2024.

We could not determine why beneficiaries and school officials did not provide accurate or current school attendance information on their Forms SSA-1372.

In March 2026, we provided our sample results to SSA subject-matter experts and they confirmed our findings. As of June 2026, SSA had taken corrective action for one of the nine beneficiaries. Corrective action remained pending for the remaining eight beneficiaries.

Based on our sample results, we estimate SSA improperly paid approximately $127 million to about 47,000 student beneficiaries because the Agency did not receive accurate information from schools and beneficiaries.

Duration of Student Benefit Eligibility

For 8 of the 100 beneficiaries we reviewed, SSA employees did not accurately determine the beneficiaries' eligibility periods based on the information the beneficiaries and school officials reported to SSA.

- For four of the eight beneficiaries, SSA employees entered termination dates into the Master Beneficiary Records that were earlier than the dates reported on the Forms SSA-1372. Because the dates entered into SSA's records shortened the beneficiaries' eligibility periods, SSA stopped paying benefits before the beneficiaries' eligibility actually ended. As a result, SSA underpaid these beneficiaries $5,148.

Example 3. A beneficiary reported on a Form SSA-1372 they expected to graduate in June 2023. However, the beneficiary's Master Beneficiary Record contained an expected June 2022 graduation date and therefore SSA terminated benefits in July 2022. We confirmed with a school official the beneficiary remained enrolled in school through January 2023 and therefore benefits should have continued for 7 months (July 2022 through January 2023). As a result, SSA underpaid the beneficiary $1,946.

- For three of the eight beneficiaries, employees did not accurately determine their benefit termination dates based on the academic periods reported on the Forms SSA-1372, which we confirmed with the schools or available records. In these instances, SSA continued paying benefits after the beneficiaries were no longer eligible and overpaid the three beneficiaries $10,428.

Example 4. A beneficiary attained age 19 in March 2025 and was expected to graduate in June 2025. The Master Beneficiary Record indicated the school operated on a quarterly basis. Based on that information, an SSA employee terminated the beneficiary's student benefits effective July 1, 2025, the month after the beneficiary was expected to graduate. However, we confirmed the school operated on a full-year basis. Under SSA policy, for students attending a school that operates on a full-year basis, their entitlement to student benefits ends on the earlier of (1) the first day of the third month after the student attains age 19 or (2) the first day of the month after the student completes the school year.[7] Therefore, SSA should have terminated the beneficiary's student benefits effective June 1, 2025—the first day of the third month after they turned 19. SSA overpaid the beneficiary $976.

- For the remaining beneficiary, SSA received a notice from the beneficiary's school that the beneficiary graduated in May 2024, 1 month earlier than the June 2024 graduation date reported on the beneficiary's record. However, an employee did not act on the notice and SSA terminated benefits based on the outdated graduation date. As a result, SSA overpaid the beneficiary $449.

[7] SSA, *POMS,* RS 00205.325, C (September 11, 2023).

Neither we nor SSA subject-matter experts could determine why SSA employees did not follow policy. In March 2026, we provided our sample results to SSA subject-matter experts and they confirmed our findings. As of June 2026, SSA had taken corrective action for two of the eight beneficiaries. Corrective action remained pending for the remaining six beneficiaries.

Based on our sample results, we estimate SSA improperly paid approximately $85 million to about 42,000 student beneficiaries.

Retaining Required Documentation

Of the 100 beneficiaries we reviewed, the electronic files for 12 did not have completed Forms SSA-1372, as required. Without the Forms, SSA could not verify that these beneficiaries met the school attendance requirements necessary to receive student benefits. SSA paid these 12 beneficiaries $93,466 in student benefit payments that SSA could not support.

Neither we nor SSA subject-matter experts could determine why SSA employees did not follow policy by retaining completed Forms in SSA's systems. Based on our sample results, we estimate SSA made approximately $342 million in unsupported payments to about 63,000 student beneficiaries.

Conclusion

The results of this review indicate actions the Agency took in response to our prior review were not sufficient, as beneficiaries and schools continued providing inaccurate or non-current school attendance information and employees continued incorrectly determining the duration of student benefit eligibility.

SSA could strengthen and improve the student benefit program by improving controls over school attendance reporting, employee processing of student benefit eligibility, and employee compliance with SSA's requirements for retaining Forms SSA-1372. Strengthening these controls will improve program integrity by ensuring benefits are paid only to eligible beneficiaries and reducing the risk of improper payments.

Recommendations

We recommend SSA:

1. Review, and take corrective action on, the eight remaining beneficiary records for which beneficiaries and school officials did not report accurate and current school attendance information.

2. Review, and take corrective action on, the six remaining beneficiaries for whom SSA employees did not terminate student benefits at the correct time.

3. Identify factors that contribute to (a) beneficiaries and school officials not reporting changes in school attendance or graduation dates that affect eligibility for student benefits, (b) employees not accurately terminating student benefits at the correct time, and (c) employees not retaining completed Forms SSA-1372 in SSA systems and take appropriate corrective actions.

AGENCY COMMENTS

SSA agreed to implement our recommendations (see Appendix C).

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our audit objective, we:

- Reviewed the applicable sections of the *Social Security Act* and the Social Security Administration's (SSA) *Program Operations Manual System*.

- Identified 521,393 student beneficiaries in current pay status who were age 18 or older and received student benefits for one or more months between January 2022 and December 2024.

- Selected a random sample of 100 beneficiaries for review. We completed the following.

    - Obtained and reviewed Forms SSA-1372, *Advance Notice of Termination of Child's Benefits*.

    - Obtained and reviewed queries from SSA's Master Beneficiary Record and the Evidence Portal to determine whether SSA retained adequate supporting documentation to support student benefit payments issued.

    - Ensured school attendance information on the Form SSA-1372, or other available school records, matched school attendance information in the Master Beneficiary Record for each beneficiary.

    - Contacted schools to verify student attendance and graduation dates.

    - Determined whether SSA properly terminated benefits based on school attendance information.

    - Confirmed our analysis with SSA subject-matter experts.

    - Computed improper payments when SSA did not accurately determine students' eligibility for benefits.

    - Projected the number, and amount of, improper payments to the population.

    - Referred error cases to SSA for corrective action.

We assessed the significance of the internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal control associated with the audit objective. We identified the following components and principles as significant to the audit objective.

- Component 1: Control Environment
  - Principle 5: Enforce accountability
- Component 2: Risk Assessment
  - Principle 8: Assess fraud risk
- Component 4: Information and Communication
  - Principle 13: Use quality information

We conducted our audit from December 2025 through August 2026. The principal entity reviewed was the Office of Field Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We determined the data used in this report was sufficiently reliable given our audit objective and intended use of the data. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We obtained our audit populations as detailed in Appendix A. To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used for creating a sample from an audit population completely at random. Each sample item had an equal chance of selection, and the selection of one item had no impact on the selection of other items. This guaranteed that we chose a sample that represented the audit population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire audit population under review. Our sampling approach for this review ensures the reported projections are statistically sound and defensible.

Table B–1: Population and Sample Size

Population	Number of Beneficiaries
Population	521,393
Sample Size	100

Note: All statistical projections are at the 90-percent confidence level.

The Social Security Administration (SSA) did not pay student benefits in accordance with policy for 17 of the 100 beneficiaries we reviewed. Projecting our sample results to the population of 521,393 beneficiaries, we estimate SSA issued approximately 89,000 student beneficiaries about $211 million in improper payments.

Table B–1: Improper Payments Issued to Student Beneficiaries

Population	Number of Beneficiaries	Payments
Sample Results	15[1]	$40,117
Point Estimate	88,637	$211,280,030
Projection – Lower Limit	58,040	$92,869,556
Projection – Upper Limit	127,225	$329,690,504
Outlier Amount	N/A	$9,330
Total (Point Estimate plus Outlier)	88,637	$211,289,360

Note: All statistical projections are at the 90-percent confidence level.

[1] Based on the 17 beneficiaries in our sample whom SSA did not pay student benefits in accordance with policy, we projected the point estimate, projection lower limit, and projection upper limit as shown in Table B-2. While the projected number of beneficiaries is based on 17 beneficiaries, the amount of payments projected is based on payments to 15 of the 17 beneficiaries. We did not include 2 of the 17 beneficiaries in our sample results for payment projection purposes. We excluded one beneficiary because the $9,330 improper payment SSA issued them was considered a statistical outlier. The other beneficiary improperly received student benefits for several months. SSA later determined that she was not eligible for those benefits because of her work activity and waived the resulting overpayment. Because SSA waived the overpayment, we omitted this error from the projection population.

Of the 17 improperly paid student beneficiaries for whom SSA issued benefits.

- For nine (52.9 percent), beneficiaries and school officials did not provide accurate or current school attendance information that affected eligibility for student benefits, and SSA was unaware the information contained errors. We applied this percentage to the point estimate for number of beneficiaries in Table B–2 to estimate that SSA made improper payments to 46,889 beneficiaries (52.9 percent multiplied by 88,637).

  Based on our sample results in Table B–2, $24,092 (60 percent) of the estimated $40,117 in improper payments were caused by beneficiaries and schools that did not provide accurate or current school attendance information. We applied this percentage (60 percent) to the point estimate ($211,280,030) to calculate $126,768,018 in projected improper payments. We added back the $9,330 outlier payment (excluded from the projection) to estimate that SSA issued $126,777,348 in improper payments.

Table B–2: Improper Payments Based on Information Provided by Students

	Overpayments	Underpayments	Total
Sample Population	$19,651	$4,441	$24,092
Percentage of Improper Payments	81.6%	18.4%	100%
Projection Based on Percentage Above	$103,442,703	$23,325,315	$126,768,018
Outlier	$9,330	$0	$9,330
Projection Plus Outlier	$103,452,033	$23,325,315	$126,777,348

Note: All statistical projections are at the 90-percent confidence level.

- For eight (47.1 percent), SSA employees did not correctly determine the duration of student benefit eligibility based on school attendance and graduation information. We applied this percentage to the point estimate for number of beneficiaries in Table B–2 to estimate that SSA made improper payments to 41,748 beneficiaries (47.1 percent multiplied by 88,637).

  Based on our sample in Table B–2, $16,025 (40 percent) of the estimated $40,117 in improper payments were caused by incorrectly determining the duration of student benefit eligibility. We applied this percentage (40 percent) to the point estimate ($211,280,030) to calculate $84,512,012 in improper payments.

Table B–3: Improper Payments Based on SSA Eligibility Determination

	Overpayments	Underpayments	Total
Sample Population	$10,877	$5,148	$16,025
Percentage of Improper Payments	67.9%	32.1%	100%
Projection Based on Percentage Above	$57,383,656	$27,128,356	$84,512,012

Note: All statistical projections are at the 90-percent confidence level.

SSA did not have completed SSA-1372s in its electronic files for 12 of the 100 beneficiaries we reviewed. We identified $93,466 in student benefit payments that SSA could not support.

Based on our sample results, we estimate SSA issued approximately $342 million in unsupported payments (point estimate of $342,212,872 plus an outlier amount of $28,488 we removed for the projection) to about 63,000 student beneficiaries.

Table B–5: Payments Issued to Student Beneficiaries Without Required Documentation

Population	Number of Beneficiaries	Payments
Sample Results[2]	11	$64,978
Point Estimate	62,567	$342,212,872
Projection – Lower Limit	36,876	$142,704,337
Projection – Upper Limit	97,583	$541,721,408
Outlier Amount	N/A	$28,488
Total (Point Estimate Plus Outlier)	62,568	$342,241,360

Note: All statistical projections are at the 90-percent confidence level.

[2] Based on the 12 beneficiaries in our sample for whom SSA did not have completed SSA-1372s in its electronic files, we projected the point estimate, projection lower limit, and projection upper limit as shown in Table B-5. While the projected number of beneficiaries is based on 12 beneficiaries, the amount of payments projected is based on payments to 11 of the 12 beneficiaries. One payment for an individual totaling $28,488 was not included in our statistical projection because it was considered a statistical outlier.

Appendix C – AGENCY COMMENTS

SOCIAL SECURITY
Office of the Commissioner

MEMORANDUM

Date: September 18, 2026 Refer To: TQA-1

To: Michelle L. Anderson
Assistant Inspector General for Audit as First Assistant

From: Chad Poist
Chief Risk Officer

Subject: Office of the Inspector General Draft Memorandum "Payments to Student Beneficiaries" (022515) -- INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao, Director of the Audit Liaison Staff.

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