Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 25, 2026 **Refer To:** 052610

To: Frank Bisignano
Commissioner

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

Subject: Childhood Disability Benefits

The attached final report presents the results of the Office of Audit's subject review. The objective was to determine whether the Social Security Administration followed policy when it established benefit entitlement dates for adults who were receiving childhood disability benefits and were disabled before age 18.

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

Attachment

Audit Report

Objective

Our objective was to determine whether the Social Security Administration (SSA) followed policy when it established benefit entitlement dates for adults who were receiving childhood disability benefits and were disabled before age 18.

Background

SSA's Title II Redesign system automatically terminates a beneficiary's child benefits when they turn 18 and are not a full-time student. However, an individual who became disabled before age 22 may be entitled to childhood disability benefits on a parent's earnings record if they are unmarried or married to another individual entitled to childhood disability benefits and their disability is expected to last at least 12 consecutive months or result in death.[1]

If—within 4 years after SSA terminated a beneficiary's benefits because they are age 18 or no longer a full-time student—the beneficiary alleges they became disabled before age 18, SSA does not require that a beneficiary file a new application. In lieu of an application for childhood disability benefits, SSA uses a Disability Report to document the new and material evidence that permits the termination to be re-opened if the child is disabled as alleged.[2]

While a beneficiary's disability determination is pending, a field office employee must notify the processing center to change the beneficiary's payment status from terminated to suspended beginning with the month the beneficiary turned age 18.[3] This tells the Agency's processing center employees to establish an alert and that further action is needed if the beneficiary is determined to have been disabled before 18.

When a beneficiary is determined to have been disabled before age 18, the field office must provide the processing center the disability onset date and date of filing to establish their benefit entitlement. The processing center employee should reinstate benefit payments, beginning with the month the beneficiary turned age 18.[4]

After a beneficiary is entitled to childhood disability benefits for 24 months, they are also entitled to Medicare benefits.[5] Therefore, the Medicare entitlement date depends on the childhood disability benefit entitlement date.

[1] 42 U.S.C. § 402 (d); SSA, *POMS*, DI 10115.005 (January 18, 2007).

[2] SSA, *POMS*, DI 11005.023, A (August 08, 2024) and RS 00203.080, B.3.b (September 11, 2023).

[3] SSA, *POMS*, RS 00203.085, B.3 and 5 (January 05, 2026).

[4] SSA, *POMS*, RS 00203.085, E.2.a (January 05, 2026).

[5] SSA, *POMS*, RS 00203.090 (August 31, 2011).

Scope and Methodology

From SSA's Master Beneficiary Record (MBR), we identified 68,131 beneficiaries who had been receiving childhood disability benefits as of January 2026 and (1) were entitled to at least 1 month of benefits after age 18; (2) were determined to have been disabled at, or before, age 18; and (3) had filed for disability benefits no later than 4 years after their child's insurance benefits ended because they attained age 18 or were no longer a full-time student. From this population, we selected a random sample of 100 beneficiaries for review. See Appendix A for more information on our scope and methodology.

Results of Review

Of the 100 beneficiaries in our sample, SSA employees followed policy when they established benefit entitlement dates for 25. However, SSA employees did not follow policy when they established benefit entitlement dates for 75 adults who were receiving childhood disability benefits and were disabled before they turned 18. Of the 75, 40 were correctly paid even though employees established incorrect benefit entitlement dates and 35 were underpaid a total of $324,151 in childhood disability benefits.

Of the 75 beneficiaries, we found no evidence, as applicable, that field office employees notified processing center employees that 74 beneficiaries had pending disability determinations and the processing center was to change the beneficiaries' payment status from terminated to suspended beginning the months the beneficiaries turned age 18. For the remaining beneficiary, a field office employee notified processing center employees to suspend the beneficiary's benefits pending a disability determination; however, a processing center employee did not take the necessary actions. We could not determine why SSA employees did not follow policies and procedures to properly process childhood disability benefits for these beneficiaries.

Example. SSA terminated a child's benefits when the child attained age 18 in December 2011. In December 2014, the beneficiary reapplied for disability benefits. SSA determined the beneficiary was disabled at age 17. However, SSA did not entitle the beneficiary to disability benefits until December 2013. Since the beneficiary re-applied for disability benefits within 4 years of benefit termination and was determined to be disabled before they turned age 18, the beneficiary should have been entitled to disabled child's benefits when they turned 18 in December 2011. As a result, SSA underpaid the beneficiary $2,736 from December 2011 to November 2013.

Conclusion

Based on our sample, we estimate SSA incorrectly established entitlement dates for 50,194 beneficiaries. Of these, we estimate SSA correctly paid 27,252 beneficiaries. However, SSA underpaid 22,942 beneficiaries approximately $165 million.

SSA can improve its accuracy in establishing entitlement dates for beneficiaries entitled to childhood disability benefits. Without improvements, the Agency will likely continue incorrectly establishing entitlement dates for these beneficiaries. When SSA employees do not accurately establish entitlement dates for beneficiaries entitled to childhood disability benefits, SSA may cause beneficiaries financial hardship by not paying benefits to which they are entitled and possibly delaying their entitlement to Medicare benefits.

Recommendations

We recommend SSA:

1. Correct the benefit entitlement dates for the 75 beneficiaries we identified in our sample.

2. Determine how to identify and resolve the estimated 50,194 beneficiaries of childhood disability benefits for whom SSA established incorrect entitlement dates, and implement system enhancements to improve the processing of these cases.

3. Identify the factors that contributed to employees not following policies and procedures and implement appropriate actions.

Agency Comments

SSA agreed to implement our recommendations; see Appendix C.

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed the applicable sections of the *Social Security Act* and the Social Security Administration's (SSA) Program Operations Manual System.
- Interviewed SSA subject-matter experts to obtain an understanding of SSA's process of establishing benefit entitlement dates for adults who were receiving childhood disability benefits and were disabled before age 18.
- From SSA's Master Beneficiary Record, we identified 68,131 beneficiaries who were receiving childhood disability benefits as of January 2026 and (1) were entitled to at least 1 month of benefits after age 18; (2) were determined to have been disabled at, or before, age 18; and (3) filed for disability benefits no later than 4 years after their child's insurance benefits ended because they attained age 18 or were no longer a full-time student.
- Selected a random sample of 100 beneficiaries from the population for review to determine (1) whether SSA employees followed policies and procedures when it established benefit entitlement dates for childhood disability benefit beneficiaries and (2) the amount of underpayments and additional months of Medicare coverage.
- Reviewed queries from the Master Beneficiary Record, Payment History Update System, and Evidence Portal to determine the actions SSA had taken.
- Provided SSA the potential error cases for its review and updated our analysis based on their feedback.

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

- Component 3: Control Activities
  - Principle 10: Design control activities
  - Principle 12: Implement control activities

We assessed the reliability of the data extract provided by conducting electronic testing and reviewing existing information about the data and the system that produced them. We also traced a statistically random sample of data to source documents. We determined the data were sufficiently reliable for the purposes of this report.

We conducted our review from March to August 2026. The principal entity audited was SSA's Offices of Field Operations and Central Processing. 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 believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – Sampling Methodology and Results

Sampling Results

To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used to create a sample from a population completely at random. As a result, each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. Our sampling approach for this review ensures our reported projections are statistically sound and defensible.

To determine whether the Social Security Administration (SSA) followed policy when it established benefit entitlement dates for adults who were receiving childhood disability benefits and were disabled before age 18, we obtained a data extract from SSA's Master Beneficiary Record. From that extract, we identified 68,131 beneficiaries who were receiving childhood disability benefits as of January 2026 and (1) were entitled to at least 1 month of benefits after age 18; (2) were determined to have been disabled at, or before, age 18; and (3) filed for disability benefits no later than 4 years after their child's insurance benefits ended because they attained age 18 or were no longer a full-time student. From this population, we selected a random sample of 100 beneficiaries for review.

Table B–1: Population and Sample Size

Description	Beneficiaries
Population Size	68,131
Sample Size	100

SSA did not establish correct entitlement dates for 75 beneficiaries. Of these beneficiaries, 40 were paid correctly and 35 were underpaid $324,151. Based on our sample results, we estimate SSA incorrectly established entitlement dates for 50,194 beneficiaries. Of these, we estimate SSA underpaid 22,942 beneficiaries approximately $165 million in childhood disability benefits and correctly paid 27,252 beneficiaries.

Table B–2: Benefits Payable and Eligible for an Earlier Medicare Entitlement Date

Description	Beneficiaries	Underpayments
Sample Results	33	$236,978[1]
Point Estimate	22,942	$164,750,421
Projection - Lower Limit	17,562	$101,899,049
Projection - Upper Limit	28,840	$227,601,794

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

[1] Our sample identified 35 beneficiaries with underpayments payable. However, two, totaling $87,173, were identified as outliers and were removed from the projections.

Table B–3: Correctly Paid and Eligible for Earlier Medicare Entitlement Date

Description	Beneficiaries
Sample Results	40
Point Estimate	27,252
Projection - Lower Limit	21,638
Projection - Upper Limit	33,177

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

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 "Childhood Disability Benefits" (052610) -- 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.

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001