

Follow-up on Disabled Beneficiaries Who Are Eligible for Higher Retirement Insurance Benefits

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration notified disabled beneficiaries with workers' compensation or public disability benefit offset that they may have been eligible for higher Retirement Insurance Benefits in accordance with policy.

Background

The *Social Security Act* (Act) requires that SSA reduce Social Security disability benefits when a beneficiary receives workers' compensation (WC) or a Public Disability Benefit (PDB). However, WC/PDB does not reduce SSA retirement benefits. Thus, when disabled beneficiaries reach age 62, SSA employees must determine whether they are eligible for higher retirement benefits and notify beneficiaries as early as possible about their option to file. The application filing date sets the earliest month of entitlement, as SSA can only pay retirement benefits retroactively to that month. Delays may result in lost benefits. Starting February 13, 2026, SSA employees must present filing options without offering advice and document these discussions, as beneficiaries' decisions can impact their benefits.

From a population of 35,185 disabled beneficiaries, we reviewed a sample of 125 beneficiaries from the Master Beneficiary Record who attained age 62 from January 1, 2018 through December 31, 2022 and whose disability benefits were offset by WC/PDB.

Results

Of the 125 beneficiaries we sampled, SSA employees were not required to notify 53 (42 percent) because their disability benefits after WC/PDB offset were higher than the retirement benefits. Employees were required to notify 72 (58 percent); however, they did not notify 31 beneficiaries (25 percent). Employees were required to notify the remaining 41 (33 percent) beneficiaries and did so, as required.

Of the 41, 5 beneficiaries elected—and SSA correctly paid them—higher retirement benefits, and 6 did not elect higher retirement benefits because doing so would have disadvantaged them. However, employees did not document the remaining 30 beneficiaries' reasons for not filing, document beneficiaries' decisions not to file, or correctly pay some beneficiaries who elected retirement benefits the higher benefits they were due. We could not determine why employees did not fully inform, or correctly pay, these beneficiaries. Based on our sample, we estimate SSA did not notify 8,726 beneficiaries and notified 3,659 beneficiaries but did not appropriately document their decisions not to file or reasons they did not file. We estimate these beneficiaries could have been entitled to about \$84 million in additional benefits. However, SSA cannot take actions to pay them because of restrictions on retroactivity, a lack of responses from beneficiaries or documentation regarding their reasons for not filing, and/or SSA employees not informing beneficiaries about their option to file for higher retirement benefits. SSA may be able to pay about \$41 million to 4,785 beneficiaries because they had already filed for retirement benefits.

Conclusion

SSA has the opportunity to enhance its customer service to disabled beneficiaries by ensuring it fully informs them of their filing options and, once elected, accurately pays the higher benefits. In doing so, SSA can help beneficiaries secure stronger financial positions in retirement.

Recommendations

We made four recommendations for SSA to correct records, implement a process to identify those who elected higher retirement benefits but received lower disability payments, improve controls, and clarify policies. SSA agreed to implement our recommendations.