

Overpayments to Children 052502



September 2026

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) resolved overpayments in accordance with policy to individuals who received child benefits.

Background

SSA defines an overpayment as a payment made that is more than the amount it should have paid. When the overpaid individual is not due a benefit and efforts to collect the overpayment are unsuccessful, SSA may recover the overpayment from benefits payable to another individual on the same Social Security record, including individuals who receive child benefits. This is known as contingent liability. When SSA's collection efforts are unsuccessful, SSA may recover an overpayment through external collection efforts, such as tax refund offsets. A tax refund offset reduces or withholds an individual's Federal income tax refund to repay an overpayment.

We identified two populations. Population 1 comprised 349 individuals who had a contingently liable overpayment and whose benefits were suspended or terminated between March 2018 and September 2025. We reviewed a random sample of 10 individuals from Population 1. Population 2 comprised 249,227 individuals who were selected for a tax refund offset as of September 2025. We reviewed a random sample of 175 individuals from Population 2.

Results

SSA employees did not resolve overpayments in accordance with policy for the 349 individuals in Population 1 who no longer met the requirements for contingent liability after their benefits stopped. This occurred because SSA did not have a process in place to make employees aware of all records that required action. As a result, these individuals were responsible for approximately \$1.9 million in overpayments that remained on their records when they no longer met the requirements for contingent liability. Based on our results, we estimate SSA employees did not resolve approximately \$38.5 million in overpayments, in accordance with policy, for at least 6,980 individuals.

SSA resolved overpayments in accordance with policy for 121 (69 percent) of the 175 individuals in Population 2. However, SSA employees did not resolve \$227,012 in overpayments in accordance with policy for the remaining 54 (31 percent) individuals in Population 2. This occurred, in part, because SSA did not have a process in place to make employees aware of all records that required action.

We could not determine why employees did not take required actions when they received alerts. Based on our sample, we estimate SSA employees did not resolve approximately \$242.6 million in overpayments in accordance with policy for 76,904 individuals.

Conclusion

SSA can improve how it resolves overpayments by ensuring it establishes processes that enable employees to follow established policy. In doing so, SSA can ensure it removes overpayments from the records of contingently liable individuals after their benefits stopped and maximize benefit withholdings to recover overpayments. Without improvements, individuals can incur financial burdens to repay overpayments that improperly remained on their benefit records. Furthermore, SSA can miss opportunities to potentially recover overpayments.

Recommendations

We made five recommendations to SSA to resolve overpayments for the individuals we identified, implement controls to ensure employees resolve overpayments, and implement actions to address employees not properly updating benefit records. SSA agreed with our recommendations.