

GAO

Report to the Chairman, Committee on
Ways and Means, House of
Representatives

May 1993

SOCIAL SECURITY

Need to Improve
Postentitlement
Service to the Public



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RELEASED

Human Resources Division

B-249655

May 7, 1993

**The Honorable Dan Rostenkowski
Chairman, Committee on Ways and Means
House of Representatives**

Dear Mr. Chairman:

The Social Security Administration (SSA) processes hundreds of thousands of requests for services each month from social security beneficiaries. These requests include replacing lost or stolen checks, converting spouses to survivors' status, and making address changes to checks.

These beneficiaries are dependent on SSA and the Department of the Treasury for the timely processing of their requests so that the correct benefit check is sent to the right location as soon as possible. Because of your concern with SSA's processing of these requests, you requested that we determine the amount of time it takes to process each of the above-mentioned services.

**Objectives, Scope,
and Methodology**

In order to determine how long it takes to process these selected work loads, we interviewed SSA and Treasury officials and reviewed pertinent policies and procedures. We selected small judgmental samples of these three SSA work loads to document actual time frames required to process them to completion. As agreed with your office, we did not attempt to select samples that could be used to make generalizations about the entire universe of requests nor did we attempt to determine the underlying causes of apparent differences in processing times. (See app. I for details on our objectives, scope, and methodology.)

Background

Once enrolled into the retirement, survivors, and disability insurance programs, a beneficiary may need additional services. These services are referred to as postentitlement actions and can have an effect on the amount of benefits to which a beneficiary is entitled and the timeliness of benefit payments.

The benefit amount can be influenced by a number of things, including changes in marital status, earnings, or age of a child beneficiary. The receipt of benefit payments can be affected by such factors as the time required to replace lost or stolen checks or make address changes to checks.

SSA reports that in 1990, about 64 million postentitlement actions were processed for individuals in its retirement, survivors, and disability programs. An additional 12 million actions were processed for the supplemental security income program.

Postentitlement services are generally requested by beneficiaries themselves, although they may also be reported by relatives or others. The events may be reported by phone, mail, or through walk-in visits to any one of the more than 1,300 SSA local field offices, 37 teleservice centers, or 7 SSA processing centers. Postentitlement actions encompass a substantial work load for SSA's work force, about equaling the expenditure of resources for initial claim activities. Processing of any one of these events may require work by more than one of the SSA organizations as well as the Department of the Treasury.

In summary, our review of the three types of events showed that there were differences within the various categories of events in the amount of time taken by SSA to effectuate changes. Based on our review, there is room for improvement in SSA's replacing of lost or stolen benefit checks and converting spouses to survivors' status.

Replacing Lost or Stolen Benefit Checks

SSA receives approximately 500,000 reports a year from beneficiaries claiming that they did not receive their monthly benefit checks in the mail. If during processing it is found that the original check was not cashed, SSA will ask Treasury to issue a replacement check to the beneficiary. When it is found that the missing check was cashed, SSA will turn the matter over to Treasury. Treasury will then investigate the situation and if it finds the claim to be valid, it will issue a settlement check to the beneficiary.

In situations involving dire financial need (such as the beneficiary having to make a housing payment), a priority procedure is followed in which Treasury issues a replacement check before any attempt is made to determine whether the original check was actually cashed. However, in most cases, a normal replacement procedure is followed, which includes Treasury verifying whether the check was cashed before it issues a replacement check.

We reviewed a small sample of these nonreceipt claims and found that when a reported nonreceipt was given priority processing by SSA, about 89 percent of the affected beneficiaries received replacement checks in

less than 1 month.¹ When normal processing was followed, only about 1 percent of all lost or stolen checks were replaced in less than 1 month. About 25 percent of the persons reporting lost or stolen checks waited more than 3 months for their replacement checks.

The results of our sample cases of missing checks that had been cashed and turned over to Treasury were similar to what we found for replacement checks. Only about 3 percent of the settlement checks were issued in less than 1 month (after deducting beneficiary response time) while around 20 percent waited longer than 3 months. (Details on nonreceipt processing are found in app. II.)

During our review, we found that normally SSA delays the submission of the nonreceipt claim to Treasury until the middle of the month to afford the original check an opportunity to clear the banking system. SSA's policy in this regard differs from its policy for nonreceipt claims involving dire financial need situations and its supplemental security income program where submission of the nonreceipt claims to Treasury is not delayed until the middle of the month. Its practices also differ from those followed by other similar benefit paying government programs administered by the Office of Personnel Management; the Railroad Retirement Board; and the Veterans Administration, which Treasury told us submit their nonreceipt claims almost immediately.

SSA is presently reconsidering its policy on the processing of nonreceipt claims. SSA believes that if it reduced the present 15-day delay in submitting nonreceipt claims to Treasury, the risk of losses from overpayment would be minimal. SSA officials believe that the agency can recoup any such overpayments from future benefit payments. They believe that there would be a very low probability of not being able to recoup such overpayments because of the subsequent death of the beneficiary or loss of his/her entitlement to benefits. Although data were not readily available to enable us to independently estimate the possible extent of overpayments, we agree that the probability is quite high that SSA would be able to recoup any such overpayments. In addition, service to the public would be enhanced through the more timely provision of additional benefits to surviving spouses.

¹Because SSA does not routinely maintain documentation on when a nonreceipt is reported by a claimant, we were not able to exclude the period of time taken by the claimant to report the nonreceipt to SSA. SSA field office officials advised us that generally nonreceipt is reported immediately to SSA.

Converting Spouses to Survivors' Status

SSA received about 2 million notices of beneficiary deaths during fiscal year 1991. Upon receiving notices of death, SSA immediately begins the process to terminate the benefits of the deceased. In some cases, SSA can quickly convert the currently entitled spouse's benefit to the higher survivor's benefit. However, if the spouse is entitled both on his/her record and that of the deceased (dually entitled), additional manual processing by SSA is required.

Our sample cases showed that in routine situations involving spouses without dual entitlement, SSA can complete the conversion from spouses' to survivors' benefits within an average of 8 days from the date of the primary insured's death. The conversion of dually entitled surviving spouses generally will take an additional 2 weeks because SSA's automated systems cannot handle two separate account transactions. Consequently, these cases must be manually processed. If the dually entitled spouse is under 65 and thereby entitled to reduced survivors benefits, an additional 6 weeks is needed because the spouse is required to file an election to receive reduced benefits. Mailing the forms back and forth takes time as does setting up an SSA office visit should it be necessary. (SSA's processing of these events is discussed in app. III.)

Dually entitled surviving spouses under age 65 are required to file a written election for reduced survivors' benefits. In cases where death reports are received by SSA's 800 number rather than a local field office, SSA does not immediately make election forms available to surviving spouses but waits until later in the process when it has prepared a letter advising the beneficiary of the amount he/she will receive on their own account.

SSA waits until correspondence has been prepared advising surviving spouses that they are only entitled to receive benefits under their own account before it provides them election forms to receive reduced survivor's benefits under the deceased's account. SSA told us that it waits until then because it does not want to be continually sending notices to beneficiaries.

In our view, however, the earlier receipt of higher benefit payments would likely be viewed by beneficiaries as worth the possible inconvenience stemming from receiving multiple notices from SSA. This would appear to be especially true in cases where the surviving spouse faces a substantial reduction in income due to the death of his/her spouse.

Changing Addresses on Benefit Checks

After beneficiaries begin receiving benefits, they sometimes report address changes to SSA requiring the agency to update its records and redirect checks, mail correspondence, or both to a new address. During fiscal year 1991, SSA received about 4.5 million requests for changes of address.

Our sampled cases showed that generally beneficiaries reporting address changes to SSA will have the next month's check addressed to the new location. For changes reported late in the month, but still located in the same zip code as the previous address, SSA will rely on the post office to forward the check to the new location. We found no instances where this did not happen. (Detailed information on changes of address processing is found in app. IV.)

Conclusions

The speed with which a missing or stolen check is replaced is dependent on a number of factors. One is SSA's policy of delaying the processing of nonreceipt claims by most beneficiaries until the middle of the month (to allow time for cashed checks to clear the banking system) in order to minimize the possibility of overpayments. This practice of waiting two weeks to process nonreceipt claims for most beneficiaries delays their receipt of replacement checks.

SSA does not follow this policy in situations involving dire financial need or for persons reporting missing or stolen checks under the supplemental security income program. SSA's policy also differs from that of other government benefit paying programs who submit their nonreceipt claims to Treasury almost immediately. Because of the improved service to the public as a result of the more timely replacement of benefit checks and the high probability of recoupment by SSA of overpayments to beneficiaries who are on its rolls, we believe that SSA should modify its present policy of waiting until mid-month before it acts on current month nonreceipt claims.

Although some of the additional time required to convert spousal benefits to survivor benefits appears to be attributable to present system limitations, SSA procedures also contribute to delays in the completion of such conversions. In our opinion, SSA's practice of not immediately providing election forms to all currently entitled spouses with dual entitlement until much later in the processing cycle should be changed.

Admittedly, earlier notification would result in additional notices being sent to the public. While this might be a possible inconvenience to

beneficiaries, we believe that it would be preferred to the delayed receipt of higher benefit payments, which is now occurring.

Recommendations to the Acting Commissioner of Social Security

In an effort to improve the timeliness of the replacement of lost or stolen benefit checks, we recommend that the Acting Commissioner of Social Security modify the present policy of waiting until mid-month before SSA acts on a beneficiary's claim of the nonreceipt of a current month's benefit check. SSA should submit these nonreceipt claims to Treasury as soon as feasible.

In an effort to improve the timeliness of awarding survivors' benefits to spouses of deceased beneficiaries, we recommend that the Acting Commissioner of Social Security provide all currently entitled spouses having dual entitlement and eligible for reduced survivor benefits election forms as soon as possible in order to receive reduced survivor benefits.

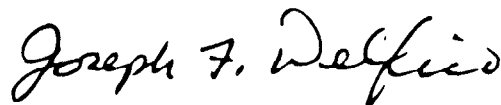
Agency Comments

SSA was provided an opportunity to review and comment on a draft of this report but did not reply within the designated comment period.

As arranged with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days after its issue date. At that time we will send copies to the Commissioner of SSA and the Chairman of the Senate Finance Committee, and we will also make them available to other interested parties upon request.

Should you wish to discuss these issues further, I can be reached on (202) 512-7215. Other major contributors are listed in appendix V.

Sincerely yours,



Joseph F. Delfico
Director, Income Security Issues

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Abbreviations

SSA Social Security Administration

Objectives, Scope, and Methodology

Our objective was to provide the Committee with an indication of the time it takes the Social Security Administration and the Department of the Treasury to process three selected postentitlement work loads: replacement of missing social security checks, conversion of currently entitled spouses to survivor status, and address changes to checks. As agreed with your office, we did not select samples that could be used to make generalizations about the entire universe from which samples were drawn, nor did we attempt to determine the underlying causes of apparent differences in processing times. We selected small judgment samples for each of the three work loads. The results of our work represent the results of sample selections only.

We interviewed SSA officials in Baltimore; Department of the Treasury officials in Washington, D.C.; and officials of both agencies at selected field locations. We also contacted 28 beneficiaries to discuss their experiences in receiving specific services.

We reviewed SSA's and Treasury's policies, procedures, and documentation concerning the processing of these three types of postentitlement requests. The documentation we examined included management information, program data, program operating instructions, SSA's master beneficiary records and payment history update system reports, beneficiary case folders, and Treasury payment tape records. We analyzed the time it took SSA and Treasury to completely process requests.

We selected samples on nonreceipts reported by social security beneficiaries. Because of the different nonreceipt policy followed for the supplemental security income program, we limited our sample to cases in the retirement, survivors, and disability programs. We split our sample selection between situations involving (1) missing benefit checks that had not been cashed and (2) those that had been cashed. This was done because Treasury utilizes different procedures dependent on the situation.

Our samples for nonreceipt replacement checks were obtained from Treasury's Philadelphia financial center and represented 2 days worth of Treasury replacement "courtesy" checks that were issued to replace original benefit checks that had not been cashed. They represented all the Treasury replacement checks issued by the Philadelphia financial center for SSA beneficiaries on December 20, 1991 (119 checks), and January 16, 1992 (240 checks). We then recorded pertinent information from Treasury's records, such as the date of the missing original benefit check, the date the nonreceipt transaction was processed for payment by SSA, the

date nonreceipt information was received by Treasury's regional financial center, and the actual date that Treasury issued a replacement check.

Our sample of settlement checks was obtained from Treasury's check payment and reconciliation unit in Hyattsville, Maryland. This sample contained 210 cases that were geographically dispersed and included all January 1992 nonreceipt cases that had been referred to the Secret Service because of suspected forgery. We recorded various data from these sample cases, including original check nonreceipt date, claim mailing information to account for beneficiary response time, and Treasury processing and final case disposition dates.

For our review of how long it takes SSA to convert spouses to survivor status, we asked SSA to provide us with a sample of 1,000 spouses currently entitled on the accounts of primary beneficiaries who had died during the month of October 1991 and whose payments were handled by Treasury's Philadelphia regional finance center. We asked SSA to sample five separate subcategories. These subcategories included (1) spouses over age 65 entitled to full widow benefits; (2) spouses over age 65 entitled to full widow benefits and who also had dual entitlement (entitled on both their own and their spouses' account); (3) spouses under age 65 entitled to reduced widow benefits; (4) spouses under age 65 entitled to reduced widow benefits and who also had dual entitlement; and (5) young spouses entitled to mother/father benefits. Because SSA does not routinely maintain documentation on when it received reports of death, all estimates of time are measured from the date of beneficiaries' death. Also, unless otherwise noted, all figures represent calendar days not workdays.

The five categories of spouses we reviewed represent differing situations that could influence periods of time for conversion. From an SSA listing of spouses who met our criteria, our sample included 245 cases that were almost evenly divided among the five subcategories selected for review.

We then reviewed SSA master beneficiary records and SSA payment history update system reports for sampled cases to establish the elapsed time between (1) the primary beneficiary's death, (2) SSA's processing of spouse's conversion, and (3) SSA's conversion of spouses to survivors' status.

In addition, we visited SSA's Philadelphia processing center to review the individual folders for about 20 of the cases to obtain an understanding of what had transpired during the conversion to survivors' benefits. The

folders reviewed included cases that required varying periods of time for conversion.

For our change-of-address samples, we requested five SSA field offices and one teleservice center to provide documentation on offices' input for automated processing for address change requests received by telephone, in-person office visits, and mail during the period January 21 through February 21, 1992. Included in the documentation were 161 beneficiary-initiated address change requests. We compared documentation for the 161 address change requests with SSA's master beneficiary records to see how quickly SSA revised its records. We limited our verification of check changes to checks dated March 3, 1992. We compared addresses shown on SSA's records with the addresses shown on Treasury's records for checks dated March 3, 1992, to determine whether address changes were actually made by Treasury.

Our work was performed from November 1991 to November 1992, at SSA's headquarters in Baltimore; SSA's processing center in Philadelphia; and SSA field locations in Arlington and Manassas, Virginia; Cambridge and Randallstown, Maryland; Washington, D.C.; and York, Pennsylvania. Work was also conducted at Treasury's facilities in Hyattsville, Maryland; Washington, D.C.; and the Treasury regional financial center in Philadelphia. We performed our review in compliance with generally accepted government auditing standards.

Time Frames for Replacing Lost or Stolen Checks

When a reported nonreceipt was given priority processing by SSA, about 89 percent of the affected beneficiaries received replacement checks in less than 1 month from the date of the missing check. When normal processing was followed, only about 1 percent of the beneficiaries received a replacement check in less than 1 month. About 25 percent of the beneficiaries reporting lost or stolen checks had to wait more than 3 months for their replacement checks.

Background

The Department of the Treasury issued over 200 million social security checks during fiscal year 1991. SSA receives approximately 500,000 reports a year from beneficiaries claiming that they did not receive their monthly benefit checks in the mail. These claims concern only the 46 percent of SSA retirees and their survivors who were paid by check during fiscal year 1991 and do not include claims of nonreceipt of direct deposits.

A beneficiary reports nonreceipt of his or her monthly social security check to SSA. SSA requires beneficiaries to wait 3 days after check day before it acts on the nonreceipt claim to allow for late mail delivery. SSA then determines whether the beneficiary was entitled to the check for the month in question. A tape of these nonreceipt claims is sent to Treasury, which verifies the check's status and, if the check was not cashed, issues a replacement or courtesy check. If the check was cashed, Treasury sends out a claim form for the beneficiary to fill out and return. If it was not the claimant who cashed the original check, a new payment, called a settlement check is authorized.

About 42 percent of the reported nonreceipts are rejected by Treasury for various reasons, such as no check was issued for that month or the missing check had been previously reported and processed by Treasury. The speed with which the remaining claims of nonreceipt are resolved depends on a number of factors, including the dire need for the payment by the beneficiary, an indication that a batch of beneficiaries' checks had been reported lost for 1 month, or evidence that the check in question had been cashed.

Time Frames for Replacing Checks That Have Not Been Cashed

SSA's normal processing procedures for replacing lost or stolen benefit checks involve Treasury verifying whether the check was cashed. If the check has not been cashed, we found that about 25 percent of the replacement checks took longer than 3 months to be issued.

**Appendix II
Time Frames for Replacing Lost or Stolen
Checks**

In special situations, such as those involving dire financial need or the theft or loss of an entire mail bag of benefit checks, SSA can designate priority processing. Under this procedure Treasury can issue a replacement check before any attempt is made to determine whether the original check was cashed. Under priority processing SSA usually issues the replacement check in less than 30 days.

**Sample Results for
Uncashed Checks**

To determine how long it took to replace checks, we selected a sample of 359 cases.¹ As shown in table II.1, about 89 percent of the 64 priority processed cases were replaced in less than a month, while only 1 percent of the normally processed cases were replaced during the same time. Only about 3 percent of the priority processed cases took longer than 3 months to complete, while 25 percent of the normally processed cases took more than 3 months.

**Table II.1: Time Elapsed From Original
Check Issuance to Date of
Replacement Check**

Days	Priority		Normal		Total	
	Cases	Percent	Cases	Percent	Cases	Percent ^a
Under 30	57	89	2	1	59	16
31-60	3	5	149	50	152	43
61-90	2	3	70	24	72	20
91-180	0	0	42	14	42	12
Over 180	2	3	32	11	34	9
Total	64	100	295	100	359	100

^aAbout 26 percent of the 94 normally processed nonreceipt cases involving beneficiaries residing overseas took more than 3 months.

Our analysis of the average and range of actual processing days for our sample shows that the 64 priority cases were processed in an average 23 days (including 1 day for Treasury processing). Actual processing days ranged from 13 to 200 days. Normal processing averaged 89 days (including 9 days for Treasury processing), and the actual processing days ranged from 18 to 413 days. Processing time includes the time taken by the beneficiary to report the nonreceipt.²

¹Of our sample, 95 cases involved beneficiaries residing overseas.

²Because of the manner in which records are kept, we could not document the amount of time it took beneficiaries to report to SSA. SSA field office personnel believe that such requests are generally reported almost immediately.

Time Frames for Replacing Checks That Have Been Cashed

When the nonreceipt process involves a beneficiary's check that Treasury finds was cashed by either the beneficiary or someone else, Treasury is supposed to send out a claim form to the beneficiary. This must be filled out to verify basic check information, such as mailing address and relationship of the beneficiary to the person who cashed the check. The beneficiary must return the claim form to Treasury before a settlement check can be issued.

Treasury officials maintain that in 80 percent of these cases, the beneficiary later realizes and then acknowledges that either he or she or a family member has cashed the check, and no further action is required. However, for the remaining 20 percent of cases, fraud may be involved, and this can involve further review by the Secret Service.

When it is found that the claim should be paid, Treasury will issue a settlement check to the beneficiary. Treasury processes about 3,700 settlement checks a month.

Sample Results for Cashed Checks

To determine how long it took to issue settlement checks, we reviewed a sample of 210 settlement checks.³ We analyzed this sample with respect to total processing time and also allowing for the time taken by beneficiaries to respond to Treasury's request for information. Generally, beneficiaries waited an average 106 days to get a settlement check. However, on average about 25 days of this time is spent by Treasury waiting for the beneficiary to return requested information.

As shown in table II.2, about 40 percent of our sampled beneficiaries waited longer than 3 months to receive their settlement checks. After allowing for beneficiary response time, 21 percent of our sample cases involved more than 3 months for completion of Treasury and SSA processing.

³Of our sample, 10 cases involved beneficiaries residing overseas.

**Appendix II
Time Frames for Replacing Lost or Stolen
Checks**

Table II.2: Time Elapsed From Original Check Issuance to Date of Settlement Check

Days	Total time to issue check		Total time less beneficiary response time	
	Number of Cases	Percent of Total	Number of cases	Percent of total ^a
Under 30	0	0	7	3
31-60	25	12	94	46
61-90	99	48	64	30
91-180	64	30	30	14
Over 180	22	10	15	7
Total	210	100	210	100

^aAll 10 cases involving beneficiaries residing overseas took more than 2 months to complete.

An analysis of the average and range of actual processing days for our sample of 210 settlement cases showed the following.

Table II.3: Average and Range of Actual Processing Days From Original Check Issuance to Date of Settlement Check

	Average number of days	Range of actual days
Treasury time ^a	63	30-399
SSA time ^b	18	^c
Beneficiary response time	25	4-252
Total time taken	106	42-414

^aOnly 208 of our sample cases had this data element available.

^bDetermined by subtracting Treasury and beneficiary response time from total time.

^cData not available.

Adequacy of Timeliness of Nonreceipt Processing

SSA does not presently have the capability to monitor the timeliness of nonreceipt claims because it does not have adequate documentation on when a beneficiary first reported a nonreceipt action to SSA or when Treasury actually issued a replacement check to the beneficiary. SSA officials told us that the ultimate disposition of replacement checks is beyond their control once SSA turns the matter over to Treasury.

Although SSA does have standards for the completion of specific tasks, it does not have overall goals for the completion of nonreceipt claims. Because of this, we found it difficult to evaluate the timeliness of the existing processes. SSA had only internal estimates that the nonreceipt process takes about 28 days. While this may be a reasonable estimate for a

**Appendix II
Time Frames for Replacing Lost or Stolen
Checks**

replacement check under normal circumstances, our review disclosed that substantial numbers of beneficiaries did not meet this time frame. In fact, the actual time frames of our sampled normally processed cases substantially exceeded this estimate.

Because of time limitations, we did not attempt to examine the underlying causes for these significantly longer processing times. We did, however, observe that certain procedures appear to contribute to the length of time it takes SSA and Treasury to complete processing of nonreceipt claims.

One is the state of automation. According to SSA and Treasury, the transmission of payment update and related data is often done manually. Magnetic tapes are shipped from SSA locations to Treasury for further processing. No direct electronic linkage between SSA and Treasury computers presently exists. This adds days to the time when the beneficiary will receive his/her replacement check.

The other factor is existing policy considerations. According to its officials, Treasury initially required a hold on the processing of nonreceipt claims because of problems it was experiencing with its check clearing system. Later, Treasury dropped this requirement, but SSA continued to hold all current-month nonreceipt claims until about the 16th of the month because of concerns about possible overpayments in the event the original benefit check was cashed.

SSA does not, however, follow a similar policy in regard to nonreceipt claims involving dire financial need situations and its supplemental security income program, in which claims are submitted to Treasury much sooner. SSA's policy differs from that followed by other federal benefit-paying agencies, such as the Office of Personnel Management, the Railroad Retirement Board, and the Veterans Administration. Treasury officials advised us that these other agencies submit their nonreceipt claims almost immediately.

Presently SSA is reviewing options aimed at achieving the Commissioner's strategic objective of replacing lost or stolen checks within 72 hours by the year 2005. The options include an interim modification whereby all current-month nonreceipt claims would be processed immediately following a 3-day waiting period to allow for mail delivery. SSA would recertify the payment amount, and Treasury would immediately issue a replacement check without ascertaining whether the check had been cashed. This would be similar to the present priority processing available

**Appendix II
Time Frames for Replacing Lost or Stolen
Checks**

under dire need situations. For the longer term, SSA is considering having the replacement checks issued directly over the counter by SSA personnel at its field office locations.

SSA officials we interviewed believe that changing the present policy of waiting till mid-month before submitting nonreceipt claims to Treasury is feasible. They estimate that any possible overpayments resulting from such a change would amount to about \$20 million annually. They maintain that SSA should be able to recover essentially all of these overpayments by having SSA take action against future benefit payments. They did not believe that the beneficiary would attempt to appeal recovery actions when presented photostatic evidence of a cashed benefit check. We agree that there would be a low probability that situations would arise that would prevent SSA from recovering overpayments from future benefits, such as the death of the beneficiary or loss of entitlement to benefits due to the remarriage of a young beneficiary. Also, we believe that altering the current policy would result in improved service to the public.

Time Frames for Effectuating Survivors' Payments to Spouses

SSA generally completed the conversion from spouses' to survivors' benefits within 8 days of the primary beneficiary's death. However, dually entitled surviving spouses' situations generally require an additional 2 to 6 weeks before the conversion to survivors' benefits is completed. This additional time is due to present SSA system limitations that necessitate inefficient manual processing procedures.

Background

During fiscal year 1991, SSA received about 2 million notices of deaths of social security beneficiaries. The death of primary beneficiaries generally entitles their currently entitled spouses¹ to receive monthly survivors' benefits beginning the month after the death. Survivors' benefits are paid at about twice the amount paid to spouses.

Spouses' benefits are computed to be paid at 50 percent of the monthly amount payable to the primary beneficiaries. However, benefits for surviving spouses (widows/widowers) age 65 and over are paid at the full amount previously paid deceased primary beneficiaries. Full benefits are reduced for the number of months the survivors begin drawing benefits before age 65. No benefits are paid before age 60 unless the spouse is caring for entitled children of the deceased. In this case benefits are paid at 75 percent of the deceased primary beneficiary's benefit amount.

In some instances, surviving spouses have dual entitlement to benefits. This arises because they are entitled to receive the larger of their entitlement from either their own social security worker's account or the deceased's account as a surviving spouse.

Upon receiving notice of deaths from family members, funeral directors, and others, SSA can begin routine automated processing, which can be done overnight, to terminate the benefits of the deceased. In some cases, routine automated processing can simultaneously convert spouses to survivors' status for currently entitled spouses. However, if the spouse has dual entitlement, additional manual development is needed to completed processing.

If SSA completes its processing before the monthly cutoff date (generally the third Friday of the month), the surviving spouse's next regular monthly benefit check will reflect the new benefit rate. If the cutoff date is missed, a retroactive check will be sent to the surviving spouse immediately after

¹Spouses receiving benefits on a primary beneficiary's account before the month of the death.

processing is completed, and succeeding regular monthly checks will be at the revised rate.

How Long It Takes SSA to Convert Spouses to Survivors' Status

Our review showed that SSA generally converted spouses not dually entitled to survivors' status within an average of 8 days from the beneficiary's death.² For dually entitled spouses aged 65 or older, SSA averaged about 21 days, while conversions for dually entitled spouses under age 65 averaged about 54 days.

We reviewed a sample of 245 records from five categories of spouses currently entitled on the accounts of primary beneficiaries. These beneficiaries died during October 1991 and their spouses were eligible to receive survivor benefits beginning November 1991. We selected the five categories to determine whether such factors as being between 62-64 years of age and receiving reduced survivor benefits, being dually entitled to benefits, and having care of an entitled child would contribute to shorter or longer periods for converting spouses to survivors' status. These situations influenced whether conversions were made through routine automated processing or required additional manual development to complete processing. We determined how long it took SSA to complete processing and also the month for which SSA scheduled spouses' first payments at survivor rates.³

Elapsed Times for Converting Spouses Not Having Dual Entitlement

Included in our sample were 150 spouses who were not dually entitled. These spouses successfully completed routine automated processing and were simultaneously converted to survivors' status within an average of 8 days from the October death of their spouse. The actual elapsed time from the beneficiary's death to the conversions ranged from 2 to 45 days.

As shown in table III.1, SSA scheduled 97 percent of these spouses without dual entitlement to begin receiving their first survivor payment as of December 1991 or earlier.

²Because SSA does not routinely maintain documentation on when it received reports of death, we were not able to exclude the period of time before SSA was advised of the death of the beneficiary. Therefore, all estimates of time given in this report are measured from the date of a beneficiary's death. Also, unless otherwise noted, all figures represent calendar days not workdays.

³In some situations, although spouses did not receive their first revised benefit check based on their new fully entitled survivors' amounts until December, they did receive two payments on November 1, 1991—one at their prior entitlement rate and an additional retroactive payment, which together equaled their new full entitlement at survivors' rates.

**Appendix III
Time Frames for Effectuating Survivors'
Payments to Spouses**

Table III.1: Month in Which Spouses Received First Revised Survivors' Payment (Spouses Not Having Dual Entitlement)

Month	Reduced benefits	Full benefits	Child in care	Total spouses	Percent
Nov. 1991	23	28	13	64	43
Dec. 1991	25	30	27	82	54
Jan. 1991	0	1	3	4	3
Total	48	59	43	150	100

Elapsed Times for Converting Dually Entitled Spouses

Dually entitled spouses routinely require manual development to complete the processing for conversions to survivors' status. Because of systems' limitations, SSA's routine automated process can only terminate benefits for the deceased and cannot convert dually entitled spouses. SSA's system cannot compute benefits derived from multiple accounts (the decedent's and spouse's). Instead, SSA must manually terminate the spouse's present benefit on the decedent's account and manually develop the spouse's combined benefit amount to complete processing. The length of time it takes to complete processing for these spouses can be further complicated if they are entitled to survivor benefits at reduced rates.

Dually Entitled Spouses Aged 65 and Older

Our sample included 44 dually entitled spouses entitled to full survivors' benefits. We found that spouses were converted within an average of 21 days. The actual elapsed time from the primary beneficiary's death until the conversions ranged from 8 to 88 days. Table III.2 shows that about 88 percent of the spouses were scheduled to receive survivor payments by December 1991.

Table III.2: Month in Which Spouses Received First Revised Survivors' Payment (Dually Entitled Spouses Receiving Full Benefits)

Month	Number of spouses	Percent
Nov. 1991	2	5
Dec. 1991	37	83
Jan. 1992	3	7
Feb. 1992	2	5
Total	44	100

Dually Entitled Spouses Aged 62 to 64

Yet another manual processing step is required to convert dually entitled spouses to survivors' status at reduced rates. Under provisions of the Social Security Act, SSA cannot unilaterally pay spouses with dual entitlement reduced survivor benefits. Instead SSA notifies spouses that they must file written elections to receive the benefits.

**Appendix III
Time Frames for Effectuating Survivors'
Payments to Spouses**

SSA's processing for these conversions includes routine automated processing and two stages of manual development. During the first manual stage, SSA terminates the spouse's present benefit on the decedent's account and computes the survivor benefit amount. However, SSA suspends the conversion pending receipt of spouses' election for reduced survivor benefits. During the second manual stage, SSA completes processing after receiving elections.

Our sample included 51 dually entitled spouses eligible for reduced survivor benefits. These cases underwent routine automated processing, and SSA converted spouses to survivors' status within an average of 54 days of the beneficiary's death. The actual elapsed time for conversions ranged from 15 to 167 days.

As shown in table III.3, SSA scheduled about 31 percent of these spouses to receive their first monthly survivor payment by December 1991.

Table III.3: Month in Which Spouses Received First Revised Survivors' Payment (Dually Entitled Spouses Receiving Reduced Benefits)

Month	Number of Spouses	Percent
Dec. 1991	16	31
Jan. 1992	17	34
Feb. 1992	15	29
Mar. 1993	2	4
Apr. 1992	0	0
May 1992	1	2
Total	51	100

How Long It Takes Treasury to Make Survivor Payments

We reviewed information provided by Treasury for payments relating to survivor awards for 21 spouses included in our sample. In addition to the monthly survivor payments, 18 of these spouses were due immediate retroactive payments.

SSA's completion of processing to convert spouses' payments to survivors' benefits creates payment tapes adjusting amounts payable to currently entitled spouses. Once a month, SSA sends Treasury payment information to adjust the next month's recurring payment. Within 1 business day after it completes processing, SSA sends Treasury tapes for retroactive payments that adjust prior month's payments.

Treasury uses payment information received from SSA to adjust spouses' recurring monthly payments and pay underpayments. We found that for all 21 spouses, Treasury issued their first monthly survivor payments according to SSA's schedule and at amounts shown on SSA's records.

A Treasury official said that Treasury issues retroactive payments 1 business day after it receives payment information from SSA. For the 18 spouses due immediate retroactive payments, we found that SSA sent Treasury payment tapes for the payments within an average of 1 business day after SSA completed processing. Within an average of 1 business day, Treasury made payments to spouses.

SSA Could Give Earlier Notice of Requirement for Reduced Benefits

Under provisions of the Social Security Act, SSA cannot unilaterally pay dually entitled spouses reduced survivor benefits.⁴ Instead, the act requires these spouses to file written elections before SSA can pay them reduced benefits.

As discussed earlier, as of December 1991, SSA had paid survivor benefits to 31 percent of the dually entitled spouses eligible for reduced survivor benefits. SSA cannot convert them to survivors' status until it completes all stages of processing. During the processing of these cases, SSA gives spouses written notice of the election requirement and provides them election forms. However, SSA does not provide beneficiaries election forms early in the process when the deaths are reported to SSA's 800 number.

Generally, these beneficiaries were not provided election forms during the first two stages of processing—routine automated processing and manual development—which can take an average of 25 days to complete. It is not until later, after SSA has manually prepared correspondence notifying the surviving spouse of the amount payable on the basis of the surviving spouse's own account, that SSA provides the beneficiary with the form needed to elect reduced benefits under the decedent's account.

When asked why surviving spouses were not provided election forms to receive reduced survivors' benefits earlier, SSA officials told us that, as a matter of policy, SSA attempts to avoid sending its beneficiaries a stream of separate notices within a short period of time. Because of this, SSA waits until correspondence has been prepared advising the surviving spouses of the change in their benefits before providing them with the election forms.

⁴According to SSA officials, this provision of the act was intended to afford spouses the option of waiving reduced survivor benefits. In some cases it may be more advantageous for them to begin receiving full survivor benefits at age 65.

**Appendix III
Time Frames for Effectuating Survivors'
Payments to Spouses**

In our opinion, beneficiaries would accept the possible inconvenience of receiving additional notices from SSA if it were to result in their receiving higher benefit payments in a shorter period of time. Thus, in our view, SSA should take steps to provide beneficiaries election forms as soon as possible.

Time Frames for Effectuating Address Changes to Social Security Checks

Generally, beneficiaries reporting address changes to SSA will have the next month's check addressed to the new location. For changes reported after cutoffs but still within the same zip code as the old address, SSA will rely on the post office to forward the next month's check to the new location. The following month's check will be addressed to the new location.

Background

For prompt and accurate delivery of checks, mail correspondence, or both, SSA must maintain up-to-date addresses for social security beneficiaries. When retired or disabled workers and their dependents apply for benefits, they are asked to provide SSA with a mailing address. After beneficiaries begin receiving benefits, they sometimes report address changes to SSA requiring the agency to update its records and redirect checks, mail correspondence, or both to a new address. SSA receives about 4.5 million requests for address changes annually, its largest postentitlement work load.

SSA transmits address changes to Treasury to coincide with Treasury's cycles for printing social security checks. Consequently, how soon address changes are effectuated depends on when beneficiaries report changes to SSA, when SSA updates its records to reflect changes, and when SSA sends changes to Treasury.

SSA Processes Address Changes to Checks to Coincide With Treasury's Check Printing Cycles

Treasury maintains master tapes that include the addresses and payment amounts for social security beneficiaries. Unless Treasury receives revised address information from SSA, it will print checks for mailing to addresses on its master tapes.

Around the first week of each month, SSA begins sending Treasury address changes for social security checks to be delivered generally on the third day of the next month. SSA sends the changes in 10 cycles over a 2-week period. Treasury told us that around the middle of the month, it begins printing social security checks for the following month.

SSA can request last-minute address changes up to about 8 workdays before the check due date. SSA requests these changes in cases where the zip codes for the old and new address differ. In these cases, SSA requests Treasury to issue a one-time-only check having the new address and manually "pull" the check having the old address. If the zip codes are the same, SSA allows Treasury to mail checks to the old address and relies on

the post office to forward them to the beneficiary's new address. In both situations, SSA will transmit changes for routine updating of Treasury's master tapes when Treasury begins printing checks for the following month.

Length of Time to Effectuate Address Changes

Our analysis of change-of-address request was limited to beneficiary generated requests that could have affected their March 3, 1992, benefit check. About 75 percent of 161 sampled beneficiaries requesting changes of address had their next monthly check sent directly to their new address. The new addresses of the remaining 25 percent missed the cutoffs and were in the same zip code, so SSA relied on the post office to forward their next monthly check to the new address. The average elapsed time between SSA's input¹ of address changes for processing and effectuation was 4 weeks in cases where SSA requested Treasury to change the next monthly check, and 7 weeks when SSA requested changes to the following monthly check.

SSA Time Frames for Updating Its Records

We reviewed 161 address changes that SSA updated to its records before the cutoff for checks dated March 3, 1992. We traced SSA's input of these address changes to SSA's master records and found that 152 changes (94 percent) were updated within 1 business day of input. The remaining nine required 1 additional business day.

Time Frames for Making Address Changes to Checks

We found that 120 beneficiaries (75 percent) had the next monthly check (dated March 3) sent directly to the new address. (See table IV.1 for distribution of elapsed times.) For the remaining 41 beneficiaries (25 percent), which missed the cutoff and had address changes within the same zip code, SSA requested Treasury to make address changes to the following monthly check (dated April 3). SSA relied on the post office to forward the March 3 check to the new addresses. We telephoned 12 beneficiaries and received confirmation that the post office had forwarded their March 3 checks to their new address.

Table IV.1 shows the total elapsed time from the date of SSA's update of address changes to the issuance date of the correctly addressed benefit check.

¹For reports made by telephone or in-person office visits, the day of input is also generally the date reported to SSA. It was not possible to document when the report was received from the beneficiary. SSA offices do not routinely retain documentation of address change requests received by mail.

**Appendix IV
Time Frames for Effectuating Address
Changes to Social Security Checks**

**Table IV.1: Elapsed Time From Date of
SSA Input to Beneficiary Receiving
Address Changes to Checks**

Elapsed weeks	Beneficiaries with changes to checks dated		Total	
	March 3, 1992	April 3, 1992	Beneficiaries	Percent
2	13	0	13	8
3	16	0	16	10
4	43	0	43	26
5	38	0	38	24
6	10	14	24	15
7	0	14	14	9
8	0	13	13	8
Total	120	41	161	100
Average weeks	4.1	7.0	7.0	

Major Contributors to This Report

**Human Resources
Division,
Washington, D.C.**

**Roland H. Miller III, Assistant Director, (410) 965-8925
Milan Hudak, Evaluator-in-Charge
Jacquelyn Stewart, Evaluator
Jeffrey L. Bernstein, Evaluator
Gregory Curtis, Evaluator**

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