

Miscellaneous Benefit Suspensions for Old-Age, Survivors and Disability Insurance Beneficiaries

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September 2020

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) completed follow-up actions to resolve issues for Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries whose benefits it withheld using the miscellaneous suspense code.

Background

When SSA employees suspend benefits, they identify the issue that needs to be resolved by inputting one of dozens of situation-specific suspense codes to the beneficiary's record. Employees can also use the generic "miscellaneous suspense" code if they do not identify the issue that requires resolution.

To resolve benefit suspensions, employees complete follow-up actions, which include contacting beneficiaries, employers, or other agencies to obtain information. Once the employee obtains the necessary information, he/she must determine whether to pay the benefits withheld for prior months and whether to resume monthly benefits.

From 1 segment of the Master Beneficiary Record, we identified 2,525 beneficiaries for whom SSA suspended OASDI benefits between January 2015 and December 2018 using the miscellaneous suspense code. We reviewed records for 100 randomly selected beneficiaries.

Findings

As of February 2020, SSA had not completed follow-up actions to resolve issues that caused it to withhold benefits using the miscellaneous suspense code for 41 of the 100 beneficiaries. As a result, SSA withheld almost \$748,000 from these beneficiaries.

- For 18 beneficiaries, SSA withheld over \$541,000 and did not resolve the miscellaneous suspensions.
- SSA took actions to determine whether it should resume benefits for the remaining 23 beneficiaries but did not determine whether it should pay the beneficiaries for all months it withheld benefits. SSA continued withholding over \$206,000 that may be due these beneficiaries.

We project SSA withheld approximately \$378 million from almost 21,000 beneficiaries without resolving the issues that caused the benefit suspensions.

SSA does not have controls to monitor beneficiaries in miscellaneous suspense status or an oversight process to ensure employees use the miscellaneous suspense code appropriately. SSA relies on the employee who suspended benefits to create his/her own reminder to take future resolution actions. For these 41 beneficiaries, this process did not ensure SSA completed necessary actions to resolve outstanding issues.

Based on our review, SSA took action to resolve the miscellaneous suspensions for 10 of the 41 beneficiaries. SSA still needs to resolve the miscellaneous suspensions for the remaining 31 beneficiaries.

Recommendations

We made 3 recommendations for SSA to resolve miscellaneous suspensions for the 31 beneficiaries, analyze and resolve issues for other beneficiaries with benefits in miscellaneous suspense for an extended period, and implement controls over employees' use of the miscellaneous suspense code. SSA agreed with our recommendations.