# OTHER REPORTING REQUIREMENTS

## Payment Integrity

### Background

We take seriously our responsibility to ensure eligible individuals receive the benefits to which they are entitled, and to safeguard the integrity of benefit programs to better serve our customers. Our employees work hard to pay the right person the right amount at the right time. For fiscal year (FY) 2025, in alignment with Presidential Executive Orders and Office of Management and Budget (OMB) guidance, we identified "Stewardship" as a strategic area of focus.

Our program integrity workloads are critical to ensuring efficient programs and accurate payments in our Old-Age and Survivors Insurance (OASI), Disability Insurance (DI) (referred to as OASDI when discussing them in combination), Supplemental Security Income (SSI), and Administrative Payments programs. As good stewards of our resources and taxpayer funds, these workloads help ensure eligible individuals timely receive the benefits to which they are entitled and safeguard the integrity of benefit programs by confirming eligibility and preventing fraud. We remain focused on the integrity of our programs, including minimizing improper payments. Each year, we report improper payment findings, both overpayments and underpayments, from our stewardship reviews of the nonmedical aspects of the OASDI and SSI programs. We conduct Medical Continuing Disability Reviews (CDR) to determine whether disability beneficiaries meet the programs' medical criteria. Terminating disability benefits after a CDR does not necessarily mean that the original determination was incorrect; it means the beneficiary's medical condition has improved and the beneficiary no longer meets our definition of disability. Therefore, we consider the benefits received before medical improvement to be proper.

On March 2, 2020, S. 375, the *Payment Integrity Information Act of 2019* (PIIA) was signed into law. This law changed government-wide improper payment reporting requirements by repealing and replacing the *Improper Payments Information Act of 2002*, the *Improper Payments Elimination and Recovery Act of 2010*, the *Improper Payments Elimination and Recovery Improvement Act of 2012*, and the *Fraud Reduction and Data Analytics Act of 2015*. On March 5, 2021, OMB published a revised version of OMB Circular No. A-123, Appendix C, *Requirements for Payment Integrity Improvement*, to implement the provisions of PIIA. The goal of the revised version of OMB Circular A-123, Appendix C is to transform the payment integrity compliance framework and create a more comprehensive and meaningful set of requirements to allow agencies to spend less time complying with low-value activities and more time researching the underlying causes of improper payments, balancing payment integrity risks and controls, and building the capacity to help prevent improper payments.

In accordance with OMB guidelines, we report as improper those payments that resulted from:

- Our mistake in computing the payment;
- Our failure to obtain or act on available information affecting the payment;
- A beneficiary's failure to report an event; or
- A beneficiary's incorrect report.

PIIA requires agencies to review and assess all programs with annual outlays greater than $10,000,000 for improper payment risk at least once every three years to identify those susceptible to significant improper payments. Programs that are not likely to have an annual amount of improper payments plus annual unknown payments above the statutory threshold (which is either (a) both 1.5 percent of program outlays and $10,000,000 of all program payments made during the fiscal year, or (b) $100,000,000) are in Phase 1. If a program in Phase 1 determines that it is likely to annually make improper payments plus unknown payments above the statutory threshold then the program will move into Phase 2 the following year. Once in Phase 2 a program will have a different set of requirements such as reporting an annual improper payment and unknown payment estimate. Our OASI, DI, and SSI programs are in Phase 2.

A Phase 2 program that reports improper payments resulting in monetary loss in excess of $100,000,000 annually is considered a High-Priority program. Our OASI, DI, and SSI programs meet the definition of High-Priority programs.

Beginning in FY 2025, OMB instructed agencies to align improper payment reporting under PIIA one-to-one with programs listed in the Federal Program Inventory. Therefore, we are reporting improper payments for OASI and DI separately. We are unable to report OASI improper payments separately by retirement and survivors. Other than this change, there were no changes in payment integrity methodology for the reporting period.

The information presented in this report complies with the guidance provided in OMB Circular No. A-123, Appendix C, *Requirements for Payment Integrity Improvement*, and OMB Circular No. A-136, *Financial Reporting Requirements*.

Additional information about the improper payments in our programs, root causes, and corrective actions can be found on PaymentAccuracy.gov.

# Overview

We are committed to ensuring we issue accurate payments to eligible individuals at the right time. Based on our FY 2024 stewardship reviews (FY 2025 data will be available in the summer of FY 2026), we estimate that we paid about:

- $1.29 trillion to OASI beneficiaries;
- $143.44 billion to DI beneficiaries; and
- $63.29 billion to SSI recipients.

Our FY 2024 stewardship reviews indicate that:

- 99.91 percent of OASI benefit payments were free of overpayments and 99.96 percent were free of underpayments;
- 98.72 percent of DI benefit payments were free of overpayments and 99.65 percent were free of underpayments; and
- 89.97 percent of all SSI payments were free of overpayments and 98.45 percent were free of underpayments.

Our improper payments (combined overpayments and underpayments) totaled approximately:

- $1.62 billion for OASI;
- $2.34 billion for DI; and
- $7.33 billion for SSI.

As good stewards, we seek ways to do business better by addressing the root causes of improper payments and improving payment accuracy. We are focused on combatting the leading causes of improper payments and improving program integrity to protect taxpayer dollars.

The most recent Office of the Inspector General (OIG) PIIA annual compliance audit was for FY 2024. In FY 2024, we had two programs reporting estimates above the statutory threshold, our OASDI and SSI programs. In the FY 2024 compliance audit, OIG concluded the agency was compliant with 8 of 10 PIIA reporting requirements, but did not comply with 2 PIIA reporting requirements for the SSI program because it did not (1) demonstrate improvements to payment integrity or reach a tolerable improper payment and unknown payment rate and (2) did not report an improper payment and unknown payment estimate of less than 10 percent. The FY 2024 compliance audit report stated, "While SSA has made progress implementing corrective actions for both programs, it still has work to do to address improper payments." Our plans to come into compliance with PIIA are available on PaymentAccuracy.gov.

# OASDI Improper Payments

## OASDI Improper Payment Experience

Based on our stewardship reviews, we estimate that we paid approximately $1.43 trillion to OASDI beneficiaries in FY 2024. Of that total, we estimate $2.98 billion were overpayments, representing approximately 0.21 percent of outlays. We estimate that underpayments during this same period were $975.46 million, the equivalent of approximately 0.07 percent of outlays.

We estimate that we paid approximately $1.29 trillion to OASI beneficiaries in FY 2024. Of that total, we estimate $1.15 billion were overpayments, representing approximately 0.09 percent of outlays. We estimate that underpayments during this same period were $470.18 million, the equivalent of approximately 0.04 percent of outlays.

We estimate that we paid approximately $143.44 billion to DI beneficiaries in FY 2024. Of that total, we estimate $1.83 billion were overpayments, representing approximately 1.28 percent of outlays. We estimate that underpayments during this same period were $505.29 million, the equivalent of approximately 0.35 percent of outlays.

The following table shows our estimated improper payments in the OASI, DI, and combined OASDI programs.

**OASDI Improper Payments[1, 2, 3]**
**FY 2024**
**(Dollars in Millions)**

| | OASI | | DI | | Combined OASDI | |
|---|---|---|---|---|---|---|
| | Dollars | Percent of Outlays | Dollars | Percent of Outlays | Dollars | Percent of Outlays |
| **Outlays** | $1,287,478.75 | | $143,442.52 | | $1,430,921.27 | |
| **Proper Payments** | $1,285,861.65 | 99.87% | $141,104.77 | 98.37% | $1,426,966.42 | 99.72% |
| **Improper Payments** | $1,617.10 | 0.13% | $2,337.75 | 1.63% | $3,954.85 | 0.28% |
| **Overpayments** | $1,146.92 | 0.09% | $1,832.47 | 1.28% | $2,979.38 | 0.21% |
| **Within the Agency's Control** | $1,079.75 | 0.08% | $927.25 | 0.65% | $2,007.00 | 0.14% |
| **Outside the Agency's Control** | $67.17 | 0.01% | $905.22 | 0.63% | $972.39 | 0.07% |
| **Non-Monetary Loss Improper Payments** | $470.18 | 0.04% | $505.29 | 0.35% | $975.46 | 0.07% |
| **Underpayments** | $470.18 | 0.04% | $505.29 | 0.35% | $975.46 | 0.07% |
| **Technically Improper Payments** | $0.00 | 0.00% | $0.00 | 0.00% | $0.00 | 0.00% |
| **Unknown Payments** | $0.00 | 0.00% | $0.00 | 0.00% | $0.00 | 0.00% |
| **Improper Payments + Unknown Payments** | $1,617.10 | 0.13% | $2,337.75 | 1.63% | $3,954.85 | 0.28% |

Notes:

1. Amounts are estimated amounts from the FY 2024 annual stewardship reviews and may vary from actual amounts. FY 2025 data will be available in the summer of FY 2026.
2. There may be slight variances in the dollar amounts and percentages reported on PaymentAccuracy.gov due to rounding of source data. We derive percentages from unrounded source data.
3. Totals may not equal the sum of amounts due to rounding.

## OASDI Improper Payment Causes and Corrective Actions

Our stewardship review findings over the last 5 years show the major causes of improper payments in the OASDI program are errors in computations, relationship and dependency, and beneficiaries' employment activity (referred to as substantial gainful activity (SGA)).

The major causes of improper payments in the OASI program are errors in computations, relationship and dependency, and errors in earnings history.

The major causes of improper payments in the DI program are SGA, workers' compensation (WC) and public disability benefit (PDB), and errors in computations.

These improper payments occur due to beneficiaries' failure to report changes that may affect benefits, or our failure to update benefit amounts in a timely manner.

The following table shows the major causes of improper payments in the OASI, DI, and combined OASDI programs over the last 5 years.

**OASDI Improper Payment Causes**
**FY 2020-2024**
**(Dollars in Millions)**

| | OASI | | DI | | Combined OASDI | | |
|---|---|---|---|---|---|---|---|
| | Over payments | Under payments | Over payments | Under payments | Total Improper Payments | Annual Average | Percent of OASDI Improper Payments |
| **Computations** | $2,113.61 | $2,966.74 | $532.15 | $347.28 | $5,959.77 | $1,191.96 | 27.36% |
| **Relationship and Dependency** | $4,992.22 | $0.00 | $52.24 | $0.00 | $5,044.46 | $1,008.89 | 23.16% |
| **SGA** | $204.14 | $0.00 | $4,582.96 | $0.00 | $4,787.09 | $957.42 | 21.98% |
| **Earnings History** | $654.64 | $333.69 | $457.86 | $82.84 | $1,529.03 | $305.81 | 7.02% |
| **WC and PDB** | $0.00 | $116.72 | $303.19 | $661.78 | $1,081.69 | $216.34 | 4.97% |

Next, we discuss corrective actions for OASDI improper payments.

### Computations

#### Description:

Over the last 5 years, computation errors account for 27.36 percent of OASDI improper payments. We determine a person's benefit amount based on several factors, including age, earnings history, and the type of benefit awarded. Inaccurate information and administrative mistakes can cause errors in calculating benefits. Windfall Elimination Provision (WEP) computations also resulted in improper payments.

#### Corrective Actions:

The findings from our stewardship reviews inform the agency's corrective action plans to reduce improper payments. Through the Improper Payment Alignment Strategy (IPAS) process, we determine the most cost-effective strategies to remediate the underlying causes of the improper payment, and we monitor, measure, and revise the strategies, as needed. In FY 2025, we completed an IPAS on Computations. Additionally, we are taking the following actions to address improper payments related to computations:

- **Windfall Elimination Provision and Government Pension Offset Repeal:** WEP applied when the wage earner receives Social Security retirement or disability benefits and is entitled to a pension based on non-covered work. Non-covered pensions are paid by employers that do not withhold Social Security taxes and may be based on earnings from employment in the United States or another country. The Government Pension Offset (GPO) adjusts Social Security spouse's or widow(er)'s benefits for those who receive a non-covered pension from a Federal, State, or local government in the United States. When GPO applies, the Social Security monthly benefit amount is reduced by two-thirds of the amount of the non-covered pension.

  On January 5, 2025, the *Social Security Fairness Act of 2023* was signed into law, thereby repealing WEP and GPO. December 2023 is the last month that WEP and GPO applied. This means that those rules no longer apply to benefits payable for January 2024 and later. The agency worked quickly and successfully to implement these changes. We began releasing higher monthly benefit payments in April 2025. As of July 7, 2025, we completed sending over 3.1 million payments, totaling $17 billion, to eligible beneficiaries. The average retroactive payment was $7,208. As of September 30, 2025, we have taken over 387,000 new initial claims. We anticipate the WEP and GPO repeal will significantly reduce and eventually eliminate WEP and GPO improper payments in future years.

- **Robotic Processing Automation:** We developed processes using UiPath software to create automated "robotic" programs that perform routine or repetitive tasks and increase the speed and accuracy of manual processing. Robotic Processing Automation (RPA), or "BOTs," are available to Processing Center (PC) technicians to assist with processing manual awards or post-entitlement actions. Since January 2021, several BOTs have been created and placed into production. In FY 2025, we provided general reminders and guidance for PC technicians on BOT usage. We completed the final testing stages of the UiPath Assistant software and rolled out the new platform to PC users in August 2025. We are making a long-term investment in robotics technology via UiPath software to improve business processes and eliminate manual actions.

- **Computation Tools:** When automated systems cannot compute benefit amounts in certain situations, there are a variety of computations tools that technicians should use to ensure accuracy. We released a reminder to frontline technicians on the various computation tools available for their use. We also relayed that some programs rely on manual inputs that must be keyed correctly. If the information is keyed incorrectly, the program will provide incorrect computations.

## Relationship and Dependency

### Description:

Over the last 5 years, relationship and dependency errors account for 23.16 percent of OASDI improper payments. Marital standing and child relationship factors are material when determining entitlement to certain auxiliary and survivor benefits. Technicians must establish the existence, duration, and validity of a marriage when the present or former marriage to the insured worker is a factor of entitlement. These errors occur when a beneficiary does not report a marriage, divorce, or remarriage timely.

### Corrective Actions:

Since marital status and relationship became a leading cause of OASDI overpayments, we developed an IPAS on this subject matter in FY 2025. To address the lack of self-reporting of marital and dependency changes impacting benefit payments, we displayed Social Security TV slides in field office waiting areas on the importance of reporting relationship changes to us. We also released a reminder to frontline technicians on checking for program entitlement when an individual changes their name due to marriage or divorce and verifying that all child-in-care information is entered in the system correctly. In FY 2026, we will explore options to expand the Internet Social Security Number Replacement Card's current process and incorporate downstream application alerts to reduce instances of improper payments.

## Substantial Gainful Activity

### Description:

SGA is continuously a leading cause of overpayments in the OASDI program, accounting for 21.98 percent of OASDI improper payments over the last 5 years. When disability beneficiaries work, several factors determine whether they remain eligible for monthly benefits.

### Corrective Actions:

We are exploring ways that will make it easier for beneficiaries and employers to report wages, as well as ways to we can obtain real time wages to reduce improper payments. We are taking the following actions to address IPs related to SGA:

- **Payroll Information Exchange:** To reduce our reliance on beneficiary and representative payee reporting of employment and wage information, we published the Use of Electronic Payroll Data To Improve Program Administration final rule in December 2024. Through the process known as the payroll information exchange (PIE), we obtain wage and employment information from a commercial payroll data provider for individuals who have provided authorization. On April 7, 2025, we began the phased implementation of PIE with an initial exchange of 1 million Social Security numbers (SSN). We gradually increased the exchanges each month until reaching full implementation of 10.7 million SSNs in September 2025. We continued monthly exchanges with the full authorized population after September. PIE will improve payment accuracy, reduce improper payments, and reduce the reporting burden on individuals when they authorize us to obtain this information through an information exchange, and we receive it. We also anticipate that implementation will result in more efficient use of our limited administrative resources because our technicians would reduce the amount of time they spend manually requesting this information from payroll data providers and employers, manually entering data into our systems from an individual's pay records, contacting individuals, and assisting individuals with the results of incomplete or untimely reporting. In FY 2026 and beyond, we will explore multiple enhancements to the PIE process.

- **Reporting Responsibilities:** Section 826 of the Bipartisan Budget Act of 2015 required the Commissioner to establish and implement a system permitting DI beneficiaries to report their earnings electronically. Our myWageReport (myWR) online application allows DI beneficiaries, SSI recipients, concurrent beneficiaries, and representative payees to report wages, and view, print, or save a receipt. From April-May 2025, we released social media posts on Facebook and X sharing a link to our YouTube video to help beneficiaries learn why it is important to report wages and the automated electronic options for wage reporting. This included instructional videos with step-by-step instructions on how to use the agency's self-reporting wage applications. In FY 2026, we will continue to use our social media channels to post reminders for our beneficiaries about the importance of promptly reporting changes that impact their eligibility and payment amounts. These posts will inform beneficiaries how we are required by law to adjust payments or recover debts when people receive payments they are not entitled to.
- **Targeted Work Review Process:** In July 2025, we started a national Targeted Work Review Process (TWRP) that leverages the expertise of a cadre of technicians to use readily available earnings data to formulate a proposed work CDR decision prior to requesting work activity report. Technicians will send both the work activity report and due process notice simultaneously. The TWRP aims to reduce work CDR processing time by allowing one technician to process the case from start to finish and reducing delays in sending/receiving evidence. TWRP continued into early FY 2026, and we plan to evaluate its outcomes later in FY 2026.
- **Electronic Work Continuing Disability Review:** We are developing a new Electronic Work CDR application to replace and modernize the system technicians use to process CDRs based on work activity. The new system will enforce policy and best practices with an intuitive user interface and will eliminate current system limitations that lead to large improper payments through delays and processing errors. The application will streamline the disability review process and will have a positive impact in reducing SGA improper payments. We plan to release the minimum viable product to technicians by the end of FY 2026.
- **WorkSmart:** WorkSmart is a tool that identifies DI beneficiaries whose earnings may place them at risk of being overpaid. We created WorkSmart to reduce improper payments by alerting cases quickly after the beneficiary starts to work. In FY 2025, WorkSmart continued to alert cases for work CDRs based on available earnings data. In addition, with the appropriate authorization, WorkSmart will utilize PIE data to identify and alert cases that may require a work CDR.

- **Simplify Forms:** To improve understanding and reduce the burden on our customers and their employers, we are updating several disability-related forms. In February 2025, we published a revised SSA-3033, Employee Work Questionnaire, and clarified policy and procedures for technicians developing subsidy for DI and SSI initial claims, and DI work continuing disability reviews. We published a revised SSA-821 Work Activity Report in September 2025. A revised SSA-820 Self-Employment Work Activity Report is currently pending OMB approval.

## Earnings History

### Description:

Over the last 5 years, errors in earnings history account for 7.02 percent of OASDI improper payments. We compute benefits using up to 35 years of the worker's "average indexed monthly earnings." The agency applies a formula to this average to compute the primary insurance amount (PIA). The PIA is the basis for the benefits paid to the beneficiary. Inaccurate information can cause errors in calculating benefits.

### Corrective Actions:

In FY 2025, we released instructions to field office technicians to review earning records for identified pending retirement and disability claims. Validating earnings records associated with pending claims ensures accurate eligibility and payment amounts. We also updated policy instructions associated with temporary and ongoing earnings inaccuracies and coding used to trigger an alert for technicians to review and ensure the accuracy of earnings records and PIA before automatic benefit increases.

## Workers' Compensation and Public Disability Benefit

### Description:

Over the last 5 years, WC and PDB errors accounted for 4.97 percent of OASDI improper payments. States administer these programs and provide widely different coverage based on state-specific rules, and because of these complexities, this workload is particularly error prone.

### Corrective Actions:

The *Federal Employee Compensation Act (FECA)* WC program, which is administered by the Department of Labor (DOL), provides coverage to three million Federal and Postal workers. Receipt of FECA benefits can offset OASDI benefits. In December 2023, we established a Memorandum of Understanding with DOL for use of an employee compensation portal. Technicians can submit individual real-time queries in the portal to obtain FECA data and complete computations. We are working to complete the computer matching agreement.

# SSI Improper Payments

## SSI Improper Payment Experience

Based on our stewardship reviews, we estimate that we paid approximately $63.29 billion to SSI recipients in FY 2024. Of that total, we estimate $6.35 billion were overpayments, representing approximately 10.03 percent of outlays. We estimate that underpayments during this same period were $0.982 billion, the equivalent of approximately 1.55 percent of outlays.

The following table shows our estimated improper payments in the SSI program.

**SSI Improper Payments[1, 2, 3]**
**FY 2024**
**(Dollars in Millions)**

| | Dollars | Percent of Outlays |
|---|---|---|
| **Outlays** | $63,290.88 | |
| **Proper Payments** | $55,961.87 | 88.42% |
| **Improper Payments** | $7,329.01 | 11.58% |
| **Overpayments** | $6,346.61 | 10.03% |
| **Within the Agency's Control** | $599.11 | 0.95% |
| **Outside the Agency's Control** | $5,747.50 | 9.08% |
| **Non-Monetary Loss Improper Payments** | $982.41 | 1.55% |
| **Underpayments** | $982.41 | 1.55% |
| **Technically Improper Payments** | $0.00 | 0.00% |
| **Unknown Payments** | $0.00 | 0.00% |
| **Improper Payments + Unknown Payments** | $7,329.01 | 11.58% |

Notes:

1. Amounts are estimated amounts from the FY 2024 annual stewardship reviews and may vary from actual amounts. FY 2025 data will be available in the summer of FY 2026.
2. There may be slight variances in the dollar amounts and percentages reported on PaymentAccuracy.gov due to rounding of source data. We derive percentages from unrounded source data.
3. Totals may not equal the sum of amounts due to rounding.

## SSI Improper Payment Causes and Corrective Actions

Our stewardship review findings over the last 5 years show the major causes of improper payments in the SSI program are changes in financial accounts, wages, and in-kind support and maintenance (ISM).

These improper payments occur due to recipients' failure to report or our failure to update payments in a timely manner.

The following table shows the major causes of improper payments in the SSI program over the last 5 years.

**SSI Improper Payment Causes**
**FY 2020-2024**
**(Dollars in Millions)**

| | Overpayments | Underpayments | Total Improper Payments | Annual Average | Percent of SSI Improper Payments |
|---|---|---|---|---|---|
| **Financial Accounts** | $9,797.15 | $0.00 | $9,797.15 | $1,959.43 | 29.60% |
| **Wages** | $6,724.88 | $1,096.20 | $7,821.07 | $1,564.21 | 23.63% |
| **ISM** | $1,527.29 | $1,315.12 | $2,842.41 | $568.48 | 8.59% |

Next, we discuss corrective actions for SSI improper payments.

### Financial Accounts

#### Description:

The leading cause of SSI improper payments is financial accounts with countable resources over the allowable resource limits, accounting for 29.60 percent of SSI improper payments over the last five years. When an applicant, recipient, or deemor has financial accounts with values exceeding the allowable resource limits, these accounts may result in periods of SSI ineligibility.

#### Corrective Actions:

We are taking the following actions to address improper payments related to financial accounts:

- **Non-Medical Redeterminations/Limited Issues:** A non-medical SSI redetermination (RZ) is a complete review of a recipient's or couple's non-medical eligibility factors (resources, income, and living arrangements) to determine whether the recipient or couple has remained eligible since the time of the previous decision, is still eligible for SSI, and has been receiving or will continue to receive the correct SSI payment amount. To ensure the most effective investment of agency resources, we use a predictive model to estimate the likelihood and magnitude of overpayments to select cases for discretionary RZs. Other cases are selected for RZs outside of our modeling process based on selected case characteristics, such as manual deeming of income. The RZ process also selects limited issues (LI) reviews, which are reviews of a specific issue or event related to a recipient's or couple's non-medical eligibility factors to determine whether the recipient or couple is still eligible for and receiving the correct SSI payment. In FY 2025, we completed more than 2.4 million SSI RZs and LIs. We issued guidance and reminders to technicians to assist with RZ/LI processing throughout the fiscal year. We plan to process about 2.6 million SSI RZs and LIs in FY 2026.

- **Access to Financial Institutions:** The purpose of Access to Financial Institutions (AFI) is to identify resources in financial accounts; excess resources are a leading cause of SSI payment errors. The AFI program uses an electronic process with participating financial institutions to verify bank accounts and detect undisclosed accounts in up to 10 nearby banks based on the residential address. In August 2025, we implemented a zero-dollar AFI tolerance for SSI 65+ aged claim allowances before adjudicating to payment. In FY 2026, we intend to implement a zero-dollar AFI tolerance to all SSI initial claim allowances contingent upon updating the AFI contract and funding the additional volume of AFI requests. This strategy mandates that AFI verification is fully completed prior to adjudication and before payments are issued, thereby eliminating improper payments at the source rather than pursuing recovery after the fact. We will continue to explore expanding AFI usage in post entitlement situations and develop a systems enhancement to ensure that technicians run AFI in all instances required by policy.
- **ABLE Accounts:** An ABLE account is a special tax-advantaged savings account used by eligible individuals to pay for qualified disability expenses. The account is owned by the person with the disability, and they must have become disabled before age 26. Effective January 1, 2026, eligibility for ABLE accounts will expand to include individuals with a disability that began before age 46. Proper reporting and accounting of ABLE accounts are essential to ensure exclusions are applied correctly and that SSI payments are accurate. In March 2025, we also issued a reminder to technicians to avoid multiple postings of the same ABLE account and to ensure proper accounting of resources in ABLE accounts owned by recipients.
- **Reporting Responsibilities:** To influence understanding of ABLE accounts and encourage reporting of financial account information, in FY 2025, we aired educational content on televisions in field office reception areas. We also inform recipients and representative payees about their reporting responsibilities through various methods: during interviews, with application and RZ forms, in some award and post-eligibility notices, in check envelope enclosures, and in a booklet that accompanies award notices. Our annual Cost of Living Adjustment notices include reminders about reporting changes that could affect payments and eligibility.

## Wages

### Description:

For more than a decade, wage discrepancies have been one of the leading causes of SSI improper payments, accounting for 23.63 percent of SSI improper payments over the last 5 years. Wage discrepancies occur when the recipient or their deemor has actual wages that differ from the wage amount we used to calculate the SSI payment, either because the recipient failed to report a change, or we failed to make changes to payments in a timely manner.

### Corrective Actions:

We are taking the following actions to address improper payments related to wages:

- **Wage Reporting Tools:** For individuals or employers not participating in PIE, we continue to offer multiple reporting options such as the myWR online tool, SSA Mobile Wage Reporting, SSI Telephone Wage Reporting, by mail or in-office visit. We also offer automated SSI wage reporting reminders for individuals who sign up to receive a monthly email or text message to report wages for the prior month.
- **Reporting Responsibilities:** In FY 2025, we released social media posts on Facebook and X sharing a link to our YouTube video to help recipients learn why it is important to report wages and the automated electronic options for wage reporting. This included instructional videos with step-by-step instructions on how to use the agency's self-reporting wage applications. In FY 2026, we will continue to use our social media channels to post reminders for our recipients about the importance of promptly reporting changes that impact their eligibility and payment amounts. These posts will inform recipients how we are required by law to adjust payments or recover debts when people receive payments they are not entitled to.
- **Payroll Information Exchange:** Please see our discussion of PIE under Corrective Actions for Substantial Gainful Activity in the OASDI Improper Payments Causes and Corrective Actions section.
- **Simplify Forms:** Please see our discussion of Simplify Forms under Corrective Actions for Substantial Gainful Activity in the OASDI Improper Payments Causes and Corrective Actions section.
- **Non-medical Redeterminations/Limited Issues:** Please see our discussion of Non-Medical RZs/LIs under Corrective Actions for Financial Accounts in the SSI Improper Payments Causes and Corrective Actions section.

## In-Kind Support and Maintenance

### Description:

ISM has been the third-leading cause of overpayments and one of the leading cause of underpayments, accounting for 8.59 percent of SSI improper payments over the last 5 years. When processing initial claims and post-entitlement reviews, we ask questions to help us determine if recipients are paying their share of household expenses. If recipients are not paying their *pro rata* share, we generally count the difference between the *pro rata* share amount and the actual contribution as income to the recipient in the form of ISM. SSI recipients and their representative payees are required to notify the agency when a change occurs in household expenses, contributions, or composition. Failure to report or delays in reporting household changes are the primary causes of overpayments and underpayments related to ISM. Recipients and representative payees must report ISM changes (e.g., living arrangements) by phone, mail, or in person within ten days after the end of the month when the event happened. Self-reporting is the primary tool we use to obtain information on changes that affect ISM.

### Corrective Actions:

We are taking the following actions to address improper payments related to ISM:

- **Regulation Simplification:** In FY 2025, we fully implemented three updates as part of SSI regulation simplification related to ISM. These changes include: (1) eliminating the requirement to provide detailed information about the value of food assistance received; (2) expanding the definition of a "public assistance household" by adding SNAP benefits to the list of public income-maintenance (PIM) programs and by requiring the receipt of a PIM payment for only one additional household member (other than the SSI applicant or recipient) instead of requiring the receipt of a PIM payment for every other member of the household; and (3) expanding the rental subsidy exception nationwide to simplify our ISM rules and ensure uniform application of the policy.
- **National Change of Address:** We have a National Change of Address (NCOA) contract and data exchange agreement with the U.S. Postal Service (USPS) for the OASDI program. We are electronically notified when an OASDI beneficiary reports an address change to the USPS and in most cases, the new address information automatically posts to our records. In November 2024, we updated a notice to add a reminder informing concurrent OASDI and SSI recipients to contact us because we need additional information regarding living arrangement changes that may have occurred with the address change received through the NCOA process.
- **Living Arrangement Change Processing:** In August 2025, we transitioned field office phone systems to the same telephone platform used by the teleservice centers. By using the same telephone platform, field office representatives are able to update the SSI recipients' record with the change of address and develop living arrangement or ISM updates that could impact their payment amounts. Previously, teleservice center representatives had to refer these reports to a field office for development at a later date and in some instances, the field office would have to recontact the claimant. This prior business process could result in delays in processing the report and potentially create an improper payment.

## Entitlement Reviews and Office of the Inspector General Anti-Fraud Activities

We are committed to improving financial management by preventing fraudulent and IPs (see the Payment Integrity section for more information). Section 206 (g) of the *Social Security Independence and Program Improvements Act*, Public Law 103-296, requires us to report annually on the extent to which we reviewed cases of entitlement to monthly OASI and DI benefits (referred to as OASDI when discussing them in combination) and SSI payments; and the extent to which the cases we reviewed were those that involved a high likelihood or probability of fraud.

# Entitlement Reviews

Entitlement reviews help ensure that continued monthly payments are correct. We select cases and undertake reviews, both prior to and after effectuation of payment, to ensure that development procedures and benefit awards are correct.

We conduct the following major entitlement reviews:

## Disability Quality Assurance Reviews

We perform quality assurance reviews of random samples of Disability Determination Services (DDS) determinations to measure our level of accuracy against standards mandated by the regulations. We review initial claims, requests for reconsideration, and determinations of continuing eligibility prior to the effectuation of the DDS determinations. The following table shows the quality assurance accuracy rates for FY 2025.

**Quality Assurance Reviews**

| | FY 2025 |
|---|---|
| **Percent of State DDS decisions to allow or continue not returned to the DDS offices for correction** | 97.51% |
| **Number of cases reviewed** | 31,013 |
| **Number of cases returned to the DDS offices due to error or inadequate documentation** | 771 |

## DI Pre-Effectuation Reviews

We perform pre-effectuation reviews of favorable DI and concurrent DI/SSI initial and reconsideration determinations using a risk-profiling system to select cases for review. This profiling system helps ensure the cost-effectiveness of pre-effectuation reviews, and it satisfies the legislative requirement that the cases we review are those that are most likely to be incorrect. We also review a sufficient number of CDR continuance determinations to ensure a high level of accuracy in those cases. The following table shows the DI pre-effectuation accuracy rates for FY 2025.

**DI Pre-Effectuation Reviews**

| | FY 2025 |
|---|---|
| **Percent of State DDS decisions to allow or continue not returned to the DDS offices for correction** | 95.78% |
| **Number of cases reviewed** | 278,520 |
| **Number of cases returned to the DDS offices due to error or inadequate documentation** | 11,752 |

## SSI Pre-Effectuation Reviews

We conduct pre-effectuation reviews of favorable SSI initial and reconsideration adult determinations. As in DI cases, we use a profiling system to select cases for review. The following table shows the SSI pre-effectuation accuracy rates for FY 2025.

**SSI Pre-Effectuation Reviews**

| | FY 2025 |
|---|---|
| **Percent of State DDS decisions to allow not returned to the DDS offices for correction** | 96.74% |
| **Number of cases reviewed** | 101,528 |
| **Number of cases returned to the DDS offices due to error or inadequate documentation** | 3,314 |

## Continuing Disability Reviews

We use periodic CDRs to determine whether beneficiaries continue to meet our medical standards for disability. We also conduct a quality review of those decisions. The following table shows the CDR accuracy rates for FY 2025.

**CDR Accuracy**

| | FY 2025 |
|---|---|
| **Overall accuracy** | 96.8% |
| **Continuance accuracy** | 98.3% |
| **Cessation accuracy** | 92.1% |

## OASDI and SSI Stewardship Reviews

Stewardship reviews assess the accuracy of benefit payments. Data for FY 2025 are not yet available. See the Payment Integrity section of this report or PaymentAccuracy.gov for additional information on the accuracy of benefit payments.

## SSI Redeterminations

SSI redeterminations are periodic reviews of non-medical factors to ensure that a recipient remains eligible for SSI payments and that we have paid and will continue to pay the recipient the correct amount. The following table shows the number of SSI redeterminations we completed for FY 2025.

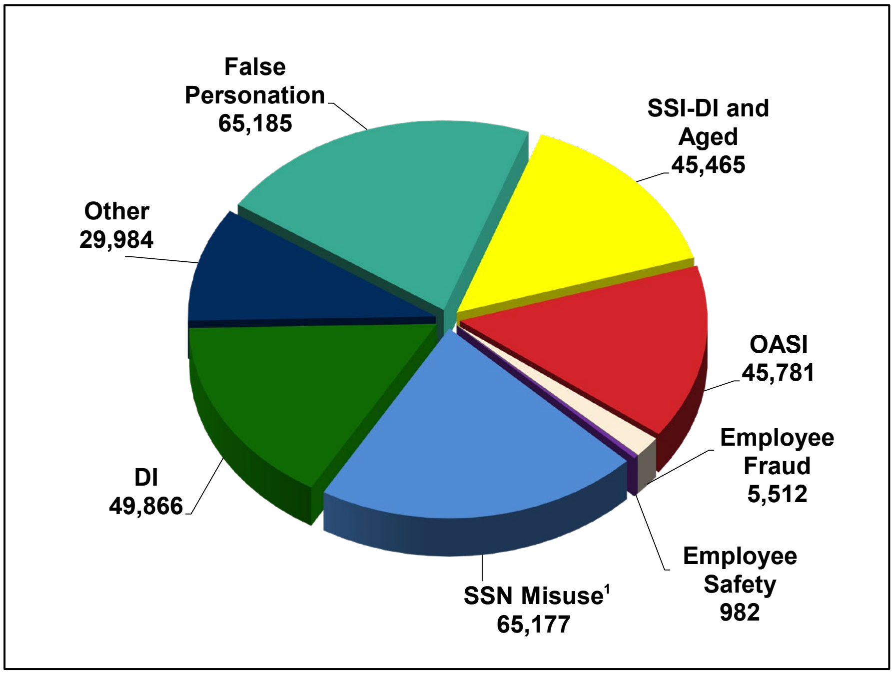
**SSI Redeterminations**
**(In Millions)**

| | FY 2025 |
|---|---|
| **Number of redeterminations completed** | 2.48 |

# The Office of the Inspector General's Anti-Fraud Activities

In FY 2025, we worked with our OIG, the U.S. Department of Justice, and other government agencies on cases involving fraud, waste, and abuse as part of our fraud detection and prevention program for safeguarding our assets. In FY 2025, as in prior years, OIG received a significant number of imposter scam allegations. The following chart provides information from our OIG concerning fraud and other allegations by category in FY 2025.[2]

**Total Allegations by Category FY 2025**



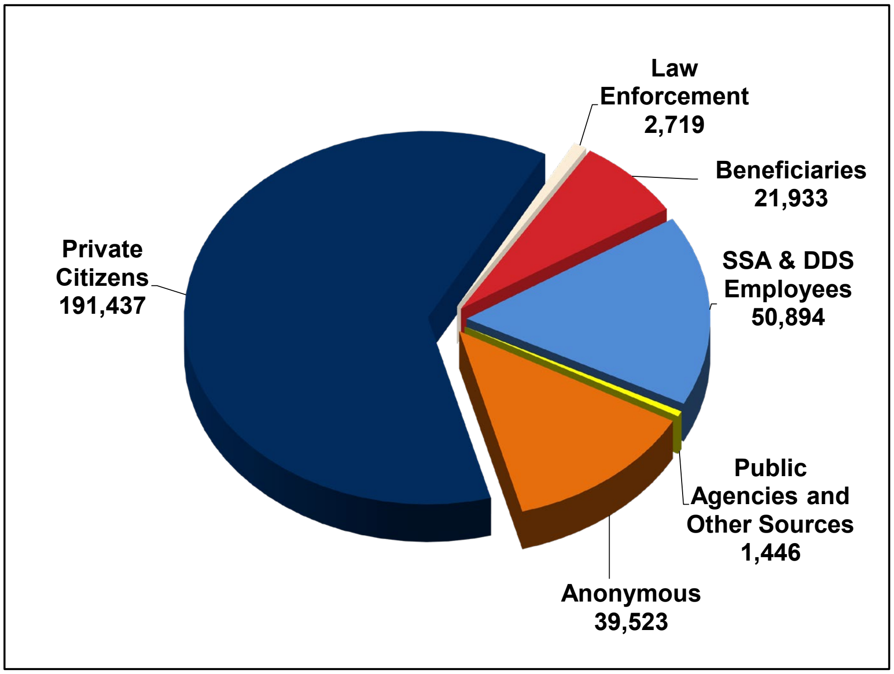

Note:

1. Social Security Number

[2] The category of an allegation may change in limited cases during an investigation. Therefore, the numbers reported in the charts may vary slightly from other Agency reporting such as Semiannual Reports to Congress.

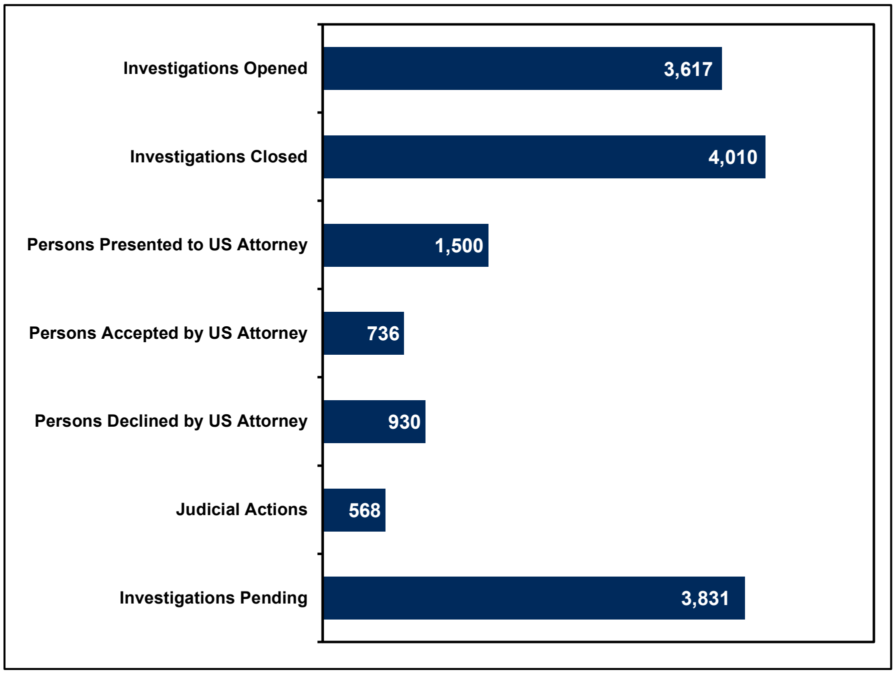
The following chart provides information from our OIG concerning sources of all fraud and other allegations in FY 2025.

**Sources of All Allegations**
**FY 2025**




The metrics in the following chart include the total number of individual subjects or entities referred, accepted, and declined for prosecution by the DOJ where the investigative findings were not subject to pre-established prosecution declination guidelines. Additionally, these metrics are independent. Therefore, persons recorded as declined or accepted during the reporting year may have been presented during a prior year. Similarly, persons presented during the reporting year may not yet have been recorded as declined or accepted.

**Disposition of All Investigations**
**FY 2025**




# Civil Monetary Penalty Adjustment for Inflation

The *Social Security Act* authorizes the Commissioner of Social Security (COSS) to impose a civil monetary penalty (CMP) for certain specific violations. Section 1129 of the *Social Security Act* authorizes a CMP against anyone who makes any material false statements or representations to the agency or knowingly withholds a material fact from the agency, to obtain or retain benefits or payments under Titles II, VIII, or XVI of the *Social Security Act*. A CMP may also be imposed against representative payees for the wrongful conversion of Social Security payments entrusted to their care.

Section 1140 of the *Social Security Act* (Section 1140) authorizes a CMP to protect the public from advertisements, solicitations, and other communications (including Internet websites, social media activities, and scam telephone calls) that may convey the false impression that we approved, endorsed, or authorized the communication. Section 1140 also prohibits the reproduction and sale of Social Security publications and forms without our authorization and places restrictions on the charging for services that we provide to the public without charge.

The COSS delegated authority to enforce the agency's CMP programs to the Inspector General.

The *Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* expanded the categories of penalties that require adjustment for inflation to include CMPs under the *Social Security Act* and requires agencies to: (1) use an interim final rulemaking to adjust the level of CMPs in 2016 with an initial "catch-up" adjustment; (2) continue to make annual adjustments in future years; and (3) report on these adjustments annually. As required, we are providing information on our current CMPs; these amounts include the initial "catch-up" and annual adjustments. We will continue to make annual adjustments in future years and report on these adjustments annually.

### Civil Monetary Penalty Adjustments

| Statutory Authority | Penalty | Year Enacted | Latest Year of Adjustment (via statute or regulation) | Current Penalty Date of Adjustment | Current Penalty Level | Sub Agency/ Bureau/Unit | Location for Penalty Update Details |
|---|---|---|---|---|---|---|---|
| Section 206 (b), *Social Security Independence and Program Improvements Act of 1994*, P. L. 103-296, 108 Stat. 1509 | Flagrant Violation (Section 1129 of the *Social Security Act*, 42 U.S.C. 1320a-8(a)(1)) | 1994 | 2025 | 01/15/2025 | $0-$10,556 | SSA/OIG | 89 Federal Register 105674 (Dec. 2024) |
| Section 813 (c), *Bipartisan Budget Act of 2015*, P. L. 114-74, 129 Stat. 603 | Flagrant Violation (Section 1129 of the *Social Security Act*, 42 U.S.C. 1320a-8(a)(1)) | 2015 | 2025 | 01/15/2025 | $0-$9,956 | SSA/OIG | 89 Federal Register 105674 (Dec. 2024) |
| Section 428 (a), *Medicare Catastrophic Coverage Act of 1988*, P. L. 100-360, 102 Stat. 815 | Flagrant Violation (Section 1140 of the *Social Security Act*, 42 U.S.C. 1320b-10(b)(1)) | 1988 | 2025 | 01/15/2025 | $0-$13,132 | SSA/OIG | 89 Federal Register 105674 (Dec. 2024) |
| Section 428 (a), *Medicare Catastrophic Coverage Act of 1988*, P. L. 100-360, 102 Stat. 815 | Flagrant Violation (Section 1140 of the *Social Security Act*, 42 U.S.C. 1320b-10(b)(2)) | 1988 | 2025 | 01/15/2025 | $0-$65,653 | SSA/OIG | 89 Federal Register 105674 (Dec. 2024) |

# Biennial Review of User Fee Charges

## Summary of Fees

In FY 2025, we earned $373 million in user fees. This revenue accounted for less than one percent of our total financing sources. We derived over 66 percent of user fee revenues from agreements with 20 States and the District of Columbia to administer some or all of the States' supplemental SSI benefits in FY 2025. During FY 2025, we charged a fee of $15.22 per payment for the cost of administering State supplemental SSI payments. This fee will increase to $15.63 per payment for FY 2026. We also charge the full cost for other reimbursable activities, such as processing earnings record requests from pension funds and individuals.

## Biennial Review

The *Chief Financial Officers Act of 1990* requires federal agencies to conduct biennial reviews of agency fees and other charges imposed for services rendered to individuals, as opposed to the general public. The objective of these reviews is to identify such activities, charge fees as permitted by law, and periodically adjust these fees to reflect current costs or market value.

For our review of fees, we annually evaluate the following: 1) States' supplemental SSI benefit payment processing; 2) Consent Based Social Security Number (SSN) Verification (CBSV); 3) electronic Consent Based SSN Verification (eCBSV); and 4) Direct payment to representatives' fees. In addition, we review and evaluate our uniform standard fee structure for non-programmatic work every two years.

- **States' Supplemental SSI Benefit Payment Processing:** States are required to pay a fee for federal administration of State Supplementary Payments (supplemental to Federal SSI payments). In accordance with Section 5102 of the *Balanced Budget Act of 1997*, we adjust the fee annually based on the percentage increase, if any, in the Consumer Price Index (CPI), unless the COSS determines a different rate is appropriate. As noted above, we updated the State SSI administrative fee from $15.22 to $15.63 for FY 2026 based on the change in the CPI. This information was communicated to the applicable States.
- **Consent Based Social Security Number Verification:** The CBSV program provides the business community and other government entities with a consent-based SSN verification. Based on our evaluation this year of CBSV projected costs, revenues, and other relevant information, we decided to continue using the current rate of $2.25 per transaction for FY 2026.
- **Electronic Consent Based Social Security Number Verification:** The eCBSV program allows permitted entities to submit, with the number holder's consent, the SSN, name, and date of birth of the number holder in connection with a credit transaction or a circumstance described in Section 604 of the *Fair Credit Reporting Act.* This information is submitted to the agency for SSN verification via an application programming interface. During FY 2025, we analyzed our fee structure and other relevant data, including customer requests, ongoing costs, prior unrecovered cost, and current fee pricing. Based on this analysis, we determined that the user fee tier pricing

structure could be reduced. The basis for this was to attract additional transaction volume for the program, while still meeting our collection and breakeven goals. In addition, we have continued to see a decrease in ongoing operating expenses from prior years, which helped support the ability to reduce the fees. While we still have unrecovered costs, we believed that the reduced fees would increase volume and support the long-term viability of the program. We are still on track to breakeven in FY 2027. For the status of our unrecovered costs, refer to Note 6, Accounts Receivable, Net, in the *Audited Financial Statements and Additional Information* section for more information.

Throughout FY 2025, we engaged with eCBSV customers regarding the eCBSV program. Based on user feedback, we evaluated and updated the user fee tier structure to reduce the fee per tier on two separate occasions. In addition, the agency worked to offer additional services to allow for no-match data for entities, to meet customer demands. We are continuing to evaluate ongoing costs, fee revenue, and customer feedback as we prepare to analyze the user fee pricing structure in FY 2026. The latest Federal Register Notice, with more information on the eCBSV user fee is 2025-05905 (90 FR 15030). The other Federal Register Notice issued in FY 2025 is 2025-01155 (90 FR 6043).

- **Direct Payments to Representatives:** If a claimant is entitled to past-due benefits from the agency and was represented either by an attorney or by a non-attorney representative who has met certain prerequisites, the *Social Security Act* provides that we may withhold up to 25 percent of the past-due benefits and use that money to pay the representative's approved fee directly to the representative. When we pay the representative's fee directly to the representative, we must collect from that fee payment an assessment to recover the costs we incur in determining and paying representatives' fees. The *Social Security Act* provides that the assessment we collect will be the lesser of two amounts: a specified dollar limit; or the amount determined by multiplying the fee we are paying by the assessment percentage rate. During FY 2025, we set the maximum dollar limit at $120 and kept the assessment percentage consistent at 6.3 percent based on our review of relevant cost data. The latest Federal Register Notice, with more information on the Direct Payment of Fees for Representatives is 2024-30543 (89 FR 104601).
- **Uniform Standard Fees for Non-Programmatic Workloads:** Every two years, we evaluate and publish standard fees for non-programmatic workloads. The next review will be performed during FY 2026. Every two years, we conduct our biennial review for new fees. Our next review for new fees is scheduled for FY 2026.

# Grants Programs

OMB Circular No. A-136, *Financial Reporting Requirements,* requires agencies to report on Federal grant and cooperative agreement awards that have not yet been closed out and for which the period of performance, including any extensions, elapsed for more than two years. As noted in the following table, we have no such grants or cooperative agreements to report.

The agency has six grant programs monitored by Grants Management Officers (GMO). Each GMO is responsible for monitoring a workload to ensure timely grant closeouts. Although we currently do not have any expired grants that have exceeded the two-year timeframe for closeout, there are occasions when a GMO cannot immediately close a grant. In certain instances, closeout could be delayed by one year.

**Grants and Cooperative Agreements Summary**

| Category | 2 3 Years | 3 5 Years | More than 5 Years |
|---|---|---|---|
| **Number of Grants/Cooperative Agreements with Zero Dollar Balances** | Not Applicable | Not Applicable | Not Applicable |
| **Number of Grants/Cooperative Agreements with Undisbursed Balances** | Not Applicable | Not Applicable | Not Applicable |
| **Total Amount of Undisbursed Balances** | Not Applicable | Not Applicable | Not Applicable |

# Federal Entity Trading Partner Information

G-Invoicing requirements necessitate all Federal entities use G-Invoicing for Intragovernmental buy/sell transactions. All new agreements starting October 1, 2022, were required to be processed through the G-Invoicing system to assist in the elimination of intragovernmental differences. We went live with G-Invoicing starting October 1, 2022, with a variety of agencies for some of our buy/sell agreements. We were unable meet the October 1, 2022, deadline for certain lines of buy-sell activity, including rent, printing, security, postage, etc. However, we continue to work towards fully implementing G-Invoicing. In FY 2025, we implemented printing and rent buy/sell agreements within G-Invoicing. During FY 2026, we plan to implement postage and security agreements in G-Invoicing and will continue to work on other agreement types prior to the updated October 1, 2025, deadline for G-Invoicing. For agreements in G-Invoicing, we have a robust set of controls for approving, tracking, and reconciling agreements to ensure that agreements are accurate and complete in G-Invoicing and our accounting system, which has reduced intragovernmental differences with trading partners. For agreements that are not in G-Invoicing, we have processes in place to identify, reconcile, and resolve intragovernmental balance differences with its trading partners. This includes the daily processing and reconciliation of intragovernmental transactions, as well as continual efforts with partner agencies to communicate balances for quarterly accruals and review, reconcile, and resolve differences during the intragovernmental reporting process. We will continue to utilize G-Invoicing and work with our partner agencies to try and get all new agreements in the system during FY 2026, which will assist in our overall intragovernmental reporting process.

# Debt Collection and Management

## Debt Collection

We have a robust debt collection program to recover all types of overpayments, which helps ensure eligible individuals receive the benefits to which they are entitled, and it safeguards the integrity of benefit programs to better serve recipients. We use internal debt collection techniques (i.e., payment withholding and billing/follow-up), as well as external collection techniques authorized by the *Debt Collection Improvement Act of 1996* for OASDI debts and the *Foster Care Independence Act of 1999* for SSI debts.

The balance of delinquent debt for all programs is $7.273 billion as of September 30, 2025. In FY 2025, we recovered $4.508 billion using both our internal and external collection tools. This collection value reflects specific programmatic collections tracked in our internal systems, which account for 92 percent of our total collections. It does not include collections processed by Treasury systems related to non-entitlement and non-receipt cases, or collections from representative payees. These excluded collections are recorded directly in our financial accounting system and are not categorized by collection type. They represent 8 percent of our total collections. The following tables provide a description of each of our internal and external debt collection techniques for OASDI and SSI overpayments, and a summary of the results.

We recognize how critical it is for the public to understand the information we share, including the IP notices they receive from us. We are working to simplify our overpayment notices so they are more user-friendly and easier to understand.

Effective with overpayments established on April 25, 2025, the default withholding rate for recovering OASDI overpayments is 50 percent of the monthly benefit. There are exceptions to this change, such as when an overpayment resulted from fraud, where 100 percent withholding applies.

## Internal Collections

We utilize internal collection tools to recover payments of delinquent debt for individuals currently receiving payments. In FY 2025, we recovered $4.447 billion using our internal collection tools, which accounted for about 98.6 percent of our total collections amount.

We offer individuals opportunities to ask us questions about their debts, request waivers in certain instances, and request alternative payment plans as needed. We continue working on technological improvements to make it easier for recipients to repay debts.

The following table provides a description of each of our internal debt collection techniques for OASDI and SSI overpayments, and a summary of the results.

## FY 2025 Internal Collections
**(Dollars in Billions)**

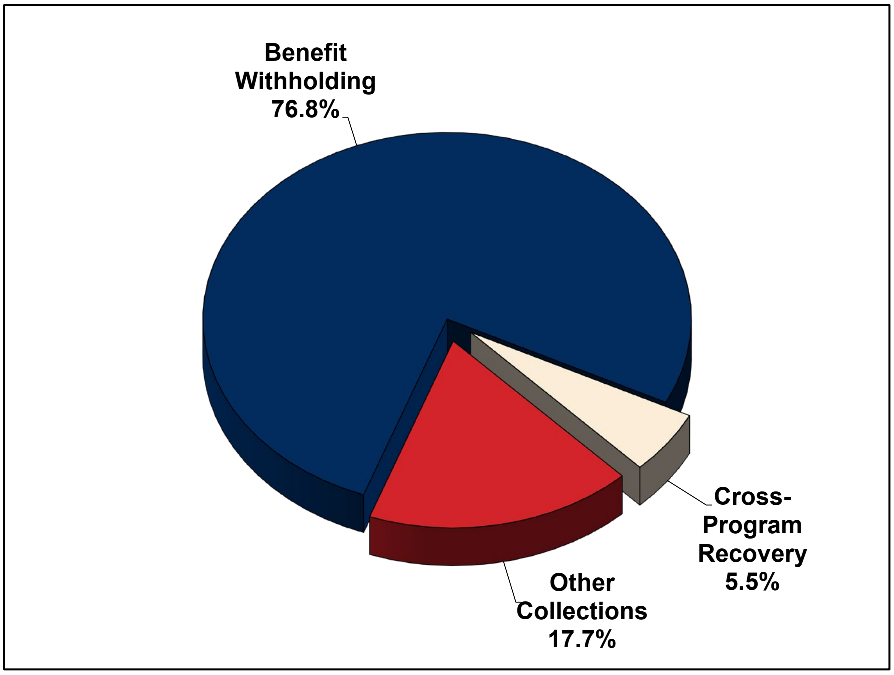
| Recovery Method | Description | OASDI | SSI | Total[1] |
|---|---|---|---|---|
| **Benefit Withholding** | We withhold some or all benefit payments for OASI and DI beneficiaries and SSI recipients currently receiving payments. Benefit withholding typically accounts for the largest recovery of our total collections amount. | $2.483 | $0.932 | $3.415 |
| **Cross-Program Recovery (CPR)** | CPR collects OASDI overpayments from monthly SSI payments and underpayments, and SSI overpayments from monthly OASDI benefit payments and underpayments. | $0.037 | $0.206 | $0.244 |
| **Other Collections** | These are mostly voluntary payments received because of a notice requesting a refund of an overpayment. | $0.460 | $0.329 | $0.788 |
| **Total Internal Collections[1]** | The total amount recovered by utilizing our internal collection tools. | $2.980 | $1.466 | $4.447 |

Note:

1. Totals do not necessarily equal the sum of rounded components.

The following chart highlights the allocation of overpayments collected in FY 2025 through our various internal collection tools as a proportion of the total $4.447 billion internal collections amount.

## Breakdown of Internal Collections FY 2025



# External Collections

We utilize external collection tools to recover payments of delinquent debt for beneficiaries and recipients no longer receiving payments. In FY 2025, we recovered $61 million using our external collection tools, which accounted for around 1 percent of our total collections amount.

The following table provides a description of each of our external debt collection techniques for OASDI and SSI overpayments, and a summary of the results.

**FY 2025 External Collections[2]**
**(Dollars in Billions)**

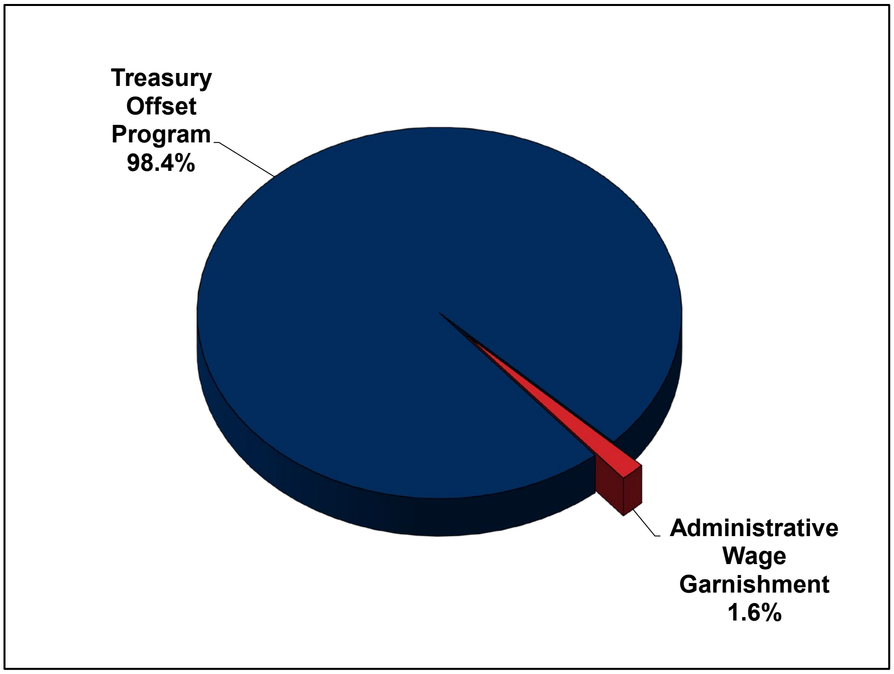
| Recovery Method | Description | OASDI | SSI | Total[1] |
|---|---|---|---|---|
| **Treasury Offset Program (TOP)** | TOP allows us to collect delinquent debt by tax refund offset, administrative offset, and Federal salary offset. | $0.037 | $0.023 | $0.060 |
| **Administrative Wage Garnishment (AWG)** | AWG allows us to recover delinquent OASDI and SSI overpayments by ordering a debtor's employer to garnish up to 15 percent of the debtor's private-sector disposable pay (i.e., that part of a worker's total compensation after deduction of health insurance premiums and required deductions). | $0.001 | $0.000 | $0.001 |
| **Total External Collections[1]** | The total amount recovered by utilizing our external collection tools. | $0.038 | $0.023 | $0.061 |

Notes:

1. Totals do not necessarily equal the sum of rounded components.
2. We use credit bureau reporting, non-entitled debtors, and automatic netting SSI as external collection tools. Collections derived from these recovery methods are subsets of the main recovery methods displayed in the table above. However, we track these collections for informational and decision-making purposes.

The following chart highlights the allocation of overpayments collected in FY 2025 through our various external collection tools as a proportion of the total $0.061 billion external collections amount.

**Breakdown of External Collections FY 2025**



# Debt Management

The following tables provide information on our debt management activities. The first table provides current and historical data on our consolidated program and administrative debt management activity. The additional tables provide a breakdown of our debt for the current and most recent prior year by program and administrative activity. We calculated the data shown in the tables by using accounts receivable amounts taken directly from the financial statements. For the consolidated data table, we provide notes on activity that affected the change in accounts receivable balances between years and other relevant information. We provide definitions of certain line items immediately following the Debt Management Activities Consolidated Program and Administrative Table. For more information on our effort to curb overpayments, please refer to the Payment Integrity section.

A design limitation in our Title II system, which is used to support debt management and the reporting of accounts receivable, prevents us from capturing and tracking long-term withholding agreements for debts owed by the public scheduled for collection beyond certain dates. Refer to Note 6, Accounts Receivable, Net, in the Audited Financial Statements and Additional Information section for more information.

We estimate that approximately 58,200 debts owed by the public are affected by payment plans extending beyond December 31, 2049. We estimate the total gross value of the post-year 2049 receivable amounts is approximately $710 million as of September 30, 2025. Additionally, we estimate that approximately 5,500 debts owed by the public are affected by payment plans extending beyond October 14, 2073. We estimate the total gross value of the post-year 2073 receivable amounts is approximately $84 million as of September 30, 2025. These amounts are not material to the consolidated financial statements.

The following tables do not include the amounts related to post-year 2049 or 2073 debt. Therefore, the Total New Receivables and Total Write-offs are understated. We are working to address the system limitation; however, the accounts receivable balance reported on the financial statements are presented fairly in all material respects.

## Debt Management Activities
## Consolidated Program and Administrative[1]
### (Dollars in Millions)

| | FY 2025 |
|---|---|
| **Total receivables**[2] | $26,874 |
| **New receivables** | $10,860 |
| **Total collections** | (4,925) |
| **Adjustments** | 631 |
| **Total write-offs**[3] | (4,074) |
| **- Waivers** | (1,554) |
| **- Terminations** | (2,520) |
| **Non delinquent debt** | 19,599 |
| **Total delinquent debt** | $7,275 |
| **Percentage Analysis** | |
| **% of outstanding debt:** | |
| **- Non delinquent** | 72.9% |
| **- Delinquent** | 27.1% |
| **% of debt estimated to be uncollectible**[4] | 56.0% |
| **% of debt collected** | 18.3% |
| **% change in collections from prior fiscal year** | -0.3% |
| **% change in delinquencies from prior fiscal year** | 5.2% |
| **Clearances as a % of total receivables** | 33.5% |
| **- Collections as a % of clearances** | 54.7% |
| **- Write-offs as a % of clearances** | 45.3% |
| **Other Analysis** | |
| **Cost to collect $1** | $0.07 |
| **Average number of months to clear receivables:** | |
| **- OASI** | 15 |
| **- DI** | 27 |
| **- SSI** | 41 |

Notes:

1. The consolidated values in the Debt Management activity table above do not necessarily equal the sum of the rounded program/administrative values broken out in the tables below.
2. Refer to Note 1, Reporting Entity and Summary of Significant Accounting Policies, and Note 6, Accounts Receivable, Net, in the *Audited Financial Statements and Additional Information* section for more information.
3. Total Write-offs/Terminations – SSA has an automated process to evaluate programmatic debt and write-off certain delinquent debts deemed uncollectible. By terminating collection activity on uncollectible debt, we are better reflecting current receivables on our financial statements as well as reducing the number of actions from the processing center pending backlog. While this debt is being written-off, it remains available for future collection. We can pursue collection efforts if the debtor becomes entitled to OASDI or SSI benefits. The Campos settlement, which resulted in SSA waiving certain SSI overpayments incurred March 2020 through September 2020 (with some exceptions), is reflected in the overall Waivers balance.
4. Percentage of Debt Estimated to be Uncollected – Our allowance for doubtful accounts methodology allows for all delinquent debt two years or older at 100 percent. For remaining debt that is not delinquent two years or more, we apply our

uncollectible ratios, consistent with previous years. We add the fully allowed delinquent debt two years and older value to the calculated uncollectible value on the remaining debt to calculate the total allowance for doubtful accounts.

## Debt Management Activities
## Program and Administrative Breakout
**(Dollars in Millions)**

| FY 2025 | | | | | |
|---|---|---|---|---|---|
| | OASI | DI | SSI Federal | SSI State | Other |
| **Total receivables** | $4,954 | $7,417 | $13,919 | $564 | $20 |
| **New receivables** | 3,601 | 3,080 | 3,997 | 172 | 9 |
| **Total collections** | (2,277) | (1,140) | (1,409) | (80) | (18) |
| **Adjustments** | (156) | 780 | 27 | (19) | (1) |
| **Total write-offs** | (476) | (1,654) | (1,896) | (48) | (1) |
| **- Waivers** | (92) | (155) | (1,271) | (36) | (1) |
| **- Terminations** | (384) | (1,499) | (625) | (12) | - |
| **Non delinquent debt** | 4,246 | 6,275 | 8,721 | 339 | 18 |
| **Total delinquent debt** | $708 | $1,142 | $5,198 | $225 | $2 |

Definitions:

1. Adjustments – Program debt adjustments represent: (a) written-off debts, by way of terminations, that we reinstate for collections; (b) changes in debts when we update debtor accounts with new information; and (c) minor differences between reports containing debt information that we use to maintain an ending accounts receivable balance.
2. Waivers – Waivers represent the amount of overpayments forgiven because the overpaid person: (a) is without fault in causing the debt; and (b) recovery would either defeat the purpose of the *Social Security Act* or be against equity and good conscience. Waivers permanently remove debts from our accounts receivable balance, which precludes any further collection efforts.
3. Terminations – Terminations represent our decision to cease our own efforts to collect a debt because: (a) the debtor will not repay the debt or alleges they cannot pay the debt; (b) we cannot locate the debtor after diligent search; or (c) the debt is at least two years delinquent. Even though we terminate internal active collection, we may still use external collection efforts. If the debtor becomes entitled to OASDI benefits or eligible for SSI payments, we reinstate the debt and resume recovery through benefit/payment withholding.
4. Delinquent Debt – A debt is delinquent when no voluntary payment has been made 30 days after the latest of the following: (a) the date we establish an OASDI debt; (b) the date of the initial overpayment notice for an SSI debt; (c) the date of the last voluntary payment; (d) the date of an installment or periodic payment arrangement (if we do not receive a payment); and (e) the date we decide a debtor remains responsible for a debt, in response to a due process action by the debtor.

This page was intentionally left blank.