THE SOCIAL SECURITY ADMINISTRATION'S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES DURING FISCAL YEAR 2025

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

January 6, 2026

Frank Bisignano
Commissioner

Dear Mr. Bisignano:

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Federal Inspectors General summarize and assess the most serious management and performance challenges facing Federal agencies and the agencies' progress in addressing them. The *Reports Consolidation Act* also requires that the Social Security Administration (SSA) place the final version of this Statement in its annual *Agency Financial Report*.

Management and Performance Challenges

In our report on *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2024*, we identified the following challenges.

- Manage Human Capital
- Improve Service Delivery
- Protect the Confidentiality, Integrity, and Availability of SSA's Information Systems and Data
- Modernize Information Technology
- Improve the Administration of Disability Programs
- Improve the Prevention, Detection, and Recovery of Improper Payments

In Fiscal Year 2025, SSA restructured its workforce and increased its focus on technology advancements. Given its impact on customer service and technology innovation, we removed Manage Human Capital as a stand-alone challenge. Instead, we discuss Human Capital-related issues in each.

In the enclosed document, we define each challenge, outline steps SSA has taken to address each challenge, and detail the actions SSA needs to take to fully mitigate each challenge. As some of the challenges are interrelated, progress made in one area could lead to progress in another. For example, further modernization of SSA's information technology would likely affect both service delivery and prevention of improper payments.

In Fiscal Year 2026, we will continue focusing on these issues and assessing the environment in which SSA operates. I look forward to working with you to continue improving SSA's ability to address these challenges and meet its mission efficiently and effectively.

Sincerely,

Michelle L. Anderson
Assistant Inspector General for Audit
as First Assistant

Enclosure

The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025

January 2026

Improve Service Delivery

The Social Security Administration (SSA) needs to enhance telephone, online, and frontline office services to improve the customer experience and deliver quality service. To do so, SSA must optimize staffing and address attrition to ensure it can provide the high level of customer service the public expects and deserves and support its efforts to become a digital-first organization.

Why This is a Challenge

SSA needs to continue improving, expanding, and ensuring the continuity of its telephone and online service methods to meet its customers' demand. SSA also needs to manage the flow of in-person traffic, minimize in-person wait times, promote online and automated services, and ensure employees deliver quality service to its customers.

In his June 25, 2025 testimony before the House Committee on Ways and Means and Subcommittee on Work and Welfare, the Commissioner of Social Security recognized employee morale and engagement as well as "having the right staffing" presented challenges as SSA restructured its workforce to increase staffing for frontline operations. While this restructuring may help with immediate needs, SSA should update its human capital and strategic plans to ensure it has a clear vision on how it will balance staffing and technology to address service delays and backlogged workloads.

Telephone Service

Millions of customers contact SSA through its National 800-Number. Average wait times on SSA's National 800-Number decreased by approximately 25 percent from 20 minutes in Fiscal Year (FY) 2019 to 15 minutes in FY 2025. On November 9, 2023, SSA's contractor completed transitioning SSA's National 800-Number Network to the Next Generation Telephony Project platform. In our April 2025 audit of *The Social Security Administration's Administration of the Next Generation Telephony Project Contract,* we found SSA's contract did not have robust quality performance standards or incentives tied to performance. Without adequate performance standards tied to incentives and disincentives, SSA could not enforce contract requirements and hold the contractor accountable for performance deficiencies. According to SSA, unmet system requirements hindered its ability to serve the public, which resulted in increased call wait times and disconnected or unanswered calls. In the fourth quarter of FY 2024, the Agency transitioned the National 800-Number to a new service provider. By the end of FY 2024, SSA's average answering time had dropped from about 36.7 minutes to 11.5 minutes.

In June 2025 testimony before the House Committee on Ways and Means and the Subcommittee on Work and Welfare, the Commissioner acknowledged SSA's customers were waiting too long for services. In FY 2025, SSA handled about 35 million calls to its National 800-Number. According to SSA, as of September 2025, customers were waiting an average of 7 minutes to be connected to an agent—approximately 4.5 minutes shorter than at the end of FY 2024. This does not include the time customers wait for a callback.

Online Services

In support of the Commissioner's commitment to making SSA a digital-first organization, SSA acknowledges it needs to expand its digital landscape to deliver better service to its customers. SSA is evaluating its online services, fixing the issues that persist, and offering its customers new online services. Many customers access SSA services through their *my* Social Security accounts; however, before July 2025, hours of access were limited. Through September 2025, SSA had registered approximately 97.2 million *my* Social Security users.

SSA's online services allow applicants to submit Social Security number (SSN) card requests via its Internet Social Security Number Replacement Card (iSSNRC). This saves individuals time and effort because they do not have to visit a local field office or call the National 800-Number.

According to SSA, in FY 2025, it issued customers in 21 states approximately 70,000 iSSNRC name-changes due to marriage. SSA is working with its vendors to identify states that are interested in iSSNRC and have the technological capabilities and available resources to support the service. SSA should continue expanding iSSNRC to non-participating states and continue incorporating the name-change due to marriage initiative in iSSNRC, allowing eligible customers to request a replacement SSN card.

Frontline Office Services

Despite the focus on digital services, some customers prefer to visit an SSA field office for in-person support. Our May 2024 audit of *Customer Wait Times in the Social Security Administration's Field Offices and Card Centers* found SSA did not set wait-time goals for field office customers or the time customers must wait for scheduled appointments. Additionally, our September 2025 audit of *Staffing Public-facing Offices*, found SSA's process for allocating staff to public-facing offices may not account for individual offices' unique service demands, which could result in staffing levels that do not reflect the specific needs. This, in turn, could affect customer wait times.

In addition, our September 2025 audit of *Workload Management for Field Offices* found, though SSA management generally provided consistent oversight of field office workloads, it should strive to improve the support it provides field office managers to ensure they have the necessary knowledge and tools to continuously improve Agency performance. SSA provided managers standardized, Agency-wide training on workload management via video-on-demand, but it included broken links to reports, systems, and tools and some outdated information. Not all regions offered the same training so not all managers received recurring training. The managers also stated the training materials did not always explain how to manage the workloads. Additionally, SSA had over 60 reports, systems, and tools to help managers oversee their field offices' workloads, but they were not centrally located, and many were redundant or outdated. As a result, managers we interviewed and surveyed indicated they did not have time to access all reports, systems, and tools that were available to them.

SSA could also improve services its processing centers deliver. In our March 2025 review of *The Social Security Administration's International Workloads in Processing Center 8*, we found SSA could reduce improper payments and enhance customer service if Processing Center 8, which processes claims from all claimants who reside outside the United States, improved case processing accuracy. For 130 (66.3 percent) of the 196 sample cases we reviewed, Processing Center 8 staff did not always comply with SSA policies and screening guide. At least 12 of these cases had approximately $211,418 in improper payments. Inaccurate case processing caused hardship to international beneficiaries because of the burden of improper payments and delays in processing cases.

Challenges with coordination between field offices and processing centers, or teleservice centers also affect SSA's ability to effectively serve beneficiaries. When a field office, processing center, or teleservice center employee identifies a critical issue for a beneficiary that requires another office's action (such as a beneficiary who has a terminal illness or is in a dire-need situation), managers can expedite action for the beneficiary by initiating a Manager-to-Manager request. In our March 2025 audit of SSA's *Manager-to-Manager Application for Critical Case Processing*, we found field office and processing center employees did not process 57 of 100 sampled requests according to policy. Of the 57 requests, employees did not process 48 within 10 business days. This resulted in delays in employees addressing critical issues and beneficiaries waiting weeks or months to receive the benefits they were due. Processing center employees placed the remaining nine requests in a "resolved" status in the Manager-to-Manager application before they completed all necessary actions to address the requests. The errors demonstrate SSA did not have adequate controls to address complex cases, ensure communications regarding critical issues, and prevent premature request closings. As a result, the Agency had limited assurance that employees properly processed the majority of the nearly 105,000 requests in our population. This resulted in delays in employees addressing critical issues and beneficiaries having an unnecessary wait to receive the benefits they were due— potentially thousands of beneficiaries waiting weeks or months.

Staffing

To the extent offices have staff shortages, it can affect their ability to meet customer demand. Our May 2024 audit of *Customer Wait Times in the Social Security Administration's Field Offices and Card Centers* found 70 percent of SSA managers interviewed reported staffing levels were insufficient to meet the volume of customers visiting field offices. During the audit, SSA acknowledged that staff attrition resulted in a significant loss of institutional knowledge, particularly in mission-critical roles. The Agency also noted the absence of a formal knowledge transfer process limits its ability to retain technical expertise when experienced staff leave. This lack of continuity may result in increased staff turnover and loss of institutional knowledge.

As of September 30, 2025, SSA was employing 52,100 staff. This reflects a decrease of approximately 6,500 employees compared to FY 2024. This included about 196 employees who accepted deferred retirements and, although not working, will remain counted until their final separation, which SSA stated would be no later than the end of Calendar Year 2025. The staffing reduction was primarily driven by attrition that resulted from the Agency's restructuring initiative that offered voluntary separation incentives to all employees. Although front-line positions critical to operating SSA programs are exempt from the Government-wide hiring freeze (in effect since January 20, 2025 and extended through October 15, 2025), regional executives reported they have been unable to hire. As a result, the Agency has not backfilled for employees who separated.

SSA has not updated its *Agency Strategic Plan for FYs 2022-2026, Human Capital Operating Plan for FYs 2024-2026*, or *SSA's Long-Term Human Capital Management Improvement Plan for FYs 2024-2034* to align with the Commissioner's priorities or recent Executive Orders or to address how it will adequately provide services to the public with reduced staffing levels.

Progress the Social Security Administration Has Made

Telephone Service

On August 22, 2024, SSA transitioned its National 800-Number to a new service provider that allows for scheduled callbacks, provides estimated wait times, and increases self-service. As of September 2025, SSA had approximately 3,900 staff for the National 800-Number. In FY 2025, SSA began expanding the use of the new telecommunication platform to their field offices and completed a proof-of-concept implementation in two state disability determination services (DDS) offices. In FY 2026, SSA began to roll out the platform to the remaining DDS offices and plans to introduce the platform to processing centers and hearing offices.

SSA also reassigned field office staff to call centers to help manage rising call volumes and improve response times. Although this reassignment alleviated pressure on call centers, according to SSA regional executives, it also affected service levels in the originating field offices. For example, one regional executive stated average wait times in some field offices increased from 30 minutes to several hours.

Online Service

In FY 2024, SSA introduced Upload Documents to all field offices and workload support units. This functionality connects to *my* Social Security and gives customers another way to upload forms and evidence. SSA also added text messaging as an additional option for customers to receive a notification and link to upload forms. In April 2025, SSA implemented a new functionality in *my* Social Security for customers to view an unmasked SSN, full name, and date of birth on a simple page view, which allows customers to review or display the information on mobile devices or desktop computers. In July 2025, the Agency upgraded *my* Social Security to provide customers with 24/7 access.

In FY 2025, SSA released the no-change replacement card functionality online to Oklahoma and New Hampshire. This service is offered in 49 states and the District of Columbia—Alaska is the only state that is not participating because of legislative issues. While most states provide no-change replacement SSN cards, not all provide replacement SSN cards for last-name change because of marriage. In FY 2025, SSA issued 2.9 million no-change replacement cards.

Frontline Office Services

In November 2024, SSA began transitioning to an Appointment Focused Service (AFS) in field offices. The Agency expects AFS will enhance its service delivery, improve the customer service experience, and expand appointments for in-person field office and Social Security Card Center services thereby reducing customer wait times and increasing satisfaction. Scheduled appointments allow field office managers to effectively allocate resources and better anticipate workload demands. SSA uses AFS for office workloads, including initial claims, post-entitlement, and enumeration services. AFS encourages customers to use online, self-service options first and allows customers to schedule appointments. As of January 2025, SSA had fully implemented AFS. SSA also updated its policy to ensure employees are aware of their responsibility when customers use AFS to schedule appointments and visit field offices without a scheduled appointment.

According to SSA, overall AFS wait times had decreased from an average of 29.6 minutes in October 2024 to an average of 22.0 minutes in September 2025. Additionally, AFS had increased the number of appointments for in-person field office visits from an average of 9.6 percent in October 2024 to an average of 38.6 percent in September 2025. SSA's customer satisfaction score at local Social Security Offices and Card Centers has improved—increasing from 84 and 89 in December 2024 to 89 and 90 as of September 2025.

In September 2025, SSA stated it requested feedback from managers and employees on the Manager-to Manager application. It plans to use the feedback to identify potential updates to the business process and enhancements to the application.

Staffing

The Agency reshaped its organization and restructured its workforce to increase staffing for frontline operations, consolidate functions across offices, and streamline its Headquarters and regional organization. As part of this restructure, SSA reduced the number of regions from 10 to 4 to streamline management layers and allocate resources to frontline operations. The Agency also transitioned approximately 2,000 employees into direct-service positions and planned to provide them the necessary training and tools to serve customers effectively. According to regional executives, while this shift strengthened frontline capacity, it reduced regional support for policy, facilities management, and budget oversight for field offices.

To address ongoing challenges related to employee morale and engagement, the Commissioner identified key priorities for the Agency, including upgrading aging systems, modernizing field offices, reducing administrative burdens, and enhancing staff training. To optimize staffing and address attrition, SSA plans to focus its hiring efforts on highly skilled information technology (IT) staff and field offices with staffing gaps that affect service delivery.

What the Social Security Administration Needs to Do

- Continue developing and implementing strategies that will provide quality services to the public now and in the future.
- Monitor National 800-Number wait times and determine whether the Agency has sufficient staff to meet its customer-service goals.
- Expand the online services available through *my* Social Security, where appropriate.

- Continue automating workflows and updating policies to better connect employees with customers and their evidence via digital services.
- Ensure employees have the right training and tools to help them provide quality service.
- Create updated plans to address both immediate and future workforce needs.
  - Align workforce skills with future technology needs.
  - Ensure staffing models support a high level of customer service for each field office.

Key Related Links

Office of Audit Publications

- *Informing Applicants Who Would Be Subject to Government Pension Offset of Their Options to Delay Filing Benefit Applications* (052404), September 2025.
- *Workload Management for Field Offices* (042316), September 2025.
- *Staffing Public-facing Offices* (022327), September 2025.
- *Individuals Who Elect to Receive Retirement Benefits After Age 70* (012306), June 2025.
- *The Social Security Administration's Agreement with the Department of Agriculture on Supplemental Nutrition Assistance Program-related Services* (012316), June 2025.
- *The Social Security Administration's Administration of the Next Generation Telephony Project Contract* (022324), April 2025.
- *Manager-to-Manager Application for Critical Case Processing* (072305), March 2025.
- *The Social Security Administration's International Workloads in Processing Center 8* (012305), March 2025.
- *Customer Wait times in the Social Security Administration's Field Offices and Card Centers* (152307), May 2024.

Social Security Administration Publications

- *Agency Strategic Plan, FYs 2022-2026*
- *Annual Performance Plan for Fiscal Year 2026 and Revised Performance Plan for Fiscal Year 2025*
- *FY 2026 President's Budget for the Social Security Administration*
- *Social Security Administration Human Capital Operating Plan, Fiscal Years 2024-2026*

Protect the Confidentiality, Integrity, and Availability of Information Systems and Data

SSA must ensure it secures its information systems and protects its sensitive data.

Why This is a Challenge

IT supports every aspect of SSA's mission, whether it is serving the public in-person or online, routing millions of telephone calls to its National 800-Number, or posting millions of wage reports to individuals' records. Disruptions to the integrity or availability of SSA's information systems would potentially impact its ability to serve the public and meet its mission. SSA's systems contain personally identifiable information, such as SSNs. If this information is not protected, identity thieves could misuse it. Since 2023, SSA has had nine Chief Information Officers, which has created challenges in guiding the Agency through changing cyber-security requirements. In addition, in FY 2025, SSA reduced and re-organized its IT workforce. In July 2025, the Chief Information Officer noted SSA had lost some skilled employees whose positions the Agency was filling with contractors until it could replace with the right hires.

Information and Cyber-security

To improve customer service and ensure the confidentiality and integrity of personal and Agency data, SSA must have a robust information security program. However, in our September 2025 audit of *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2025,* the contract auditor assessed SSA's Information Security program as "not effective" based on the FY 2025 metric results for the *Federal Information Security Modernization Act of 2014* (Pub. L. No. 113-283). The contractor continued to assess SSA's cyber-security framework functions for identification, protection, detection, and recovery as "not effective." In addition, the contractor rated metrics for security training and contingency planning lower than the previous year and found SSA was not effective in new metrics regarding cyber-security governance and data inventory. The contractor recommended SSA continue refining its enterprise architecture system inventory, software, and hardware asset inventories; implementing its cyber-security risk management strategy; and improving its process for integrating and formalizing risk-based decisions into cyber-security program monitoring activities.

To correct information security weaknesses identified by audits or vulnerability assessments done by, for, or on behalf of, the Agency, SSA uses plans of action and milestones. Plans of action and milestones identify the tasks required to address a security weakness. However, our September 2025 review of SSA's *Plans of Action and Milestones* found, although SSA had some policies, procedures, and practices to manage its plans of action and milestones, it did not manage them in compliance with Federal and Agency requirements. Adherence to these requirements could help ensure SSA takes appropriate and timely action to resolve the security issue.

SSA also faces the challenges of implementing new cyber-security requirements and is still implementing the newest security domain—cyber-security governance. Office of Management and Budget (OMB) Memorandum M-25-04, *Fiscal Year 2025 Guidance on Federal Information Security and Privacy Management Requirements*, built on previous guidance to advance cyber-security. For example, the Memorandum requires that Federal agencies continue maturing their zero-trust posture, which moves defenses from network-based boundaries to more granular levels like data, users, and devices. OMB's guidance also discusses improving such additional cyber-security areas as secure cloud adoption, the software supply chain, incident response, and Internet-of-Things security (which includes sensors, controllers, and smart devices). However, SSA is tasked with improving its information security posture while addressing the attrition of skilled employees in SSA's Office of the Chief Information Officer.

Social Security Number Protection and Earnings Accuracy

The SSN was created to identify and accurately track numberholders' earnings over their lifetimes to administer benefits under SSA programs. However, the SSN is also valuable as an illegal commodity. Accordingly, the information SSA houses on every numberholder is desirable to would-be hackers and identity thieves. Protecting SSNs and properly posting the earnings reported under them are critical to ensuring SSN integrity and eligible individuals receive the full benefits due them.

Personally identifiable information is any information SSA maintains about an individual that can be used to distinguish or trace their identity, such as name, SSN, date and place of birth, mother's maiden name, or biometric records. Federal laws and regulations require that SSA protect this information and report when it is stored, how it is protected, and when it is breached. Our September 2025 audit of *Personally Identifiable Information Loss Reporting* found SSA employees reported 23,954 of the personally identifiable information losses from Calendar Years 2019 to 2023 in the legacy loss reporting tool with an assessed risk level, as required. However, employees did not properly record 658 personally identifiable information losses in the legacy loss reporting tool or assign a risk level to another 2,568 open loss reports. On average, these open loss reports remained pending for 657 days. Additionally, of the 120 open loss reports we reviewed, SSA did not refer 32 (27 percent) to the Office of the Inspector General, as required. Until SSA updates its guidance and evaluates the effectiveness of its updated processes and controls, employees may continue responding to personally identifiable information losses improperly.

Accuracy in recording numberholder information is critical because SSA and other agencies rely on that information to verify employment eligibility, ensure wage reports are processed, and terminate payments to deceased beneficiaries. Accuracy in recording workers' earnings is critical because SSA calculates benefit payments based on an individual's earnings over their lifetime. As such, properly assigning SSNs to only those individuals authorized to obtain them, protecting SSN information once the SSNs are assigned, ensuring numberholder information is complete in its systems, and accurately posting earnings reported under SSNs are critical. In FY 2024, potential suspicious activity cases increased from approximately 300 to over 12,000. As of July 2025, SSA had investigated more than 6,000 suspicious activity items. SSA's nine-member Employer Reporting Specialist team manages this workload. The substantial and sustained increase in cases is creating considerable challenges for the team in terms of capacity and resource allocation.

SSA maintains suspended earnings (earnings that do not match the numberholder's information) in the Earnings Suspense File because missing earnings can affect an individual's eligibility for, and/or the amount of, retirement, disability, or survivor's benefits. Retaining suspended earnings allows numberholders whose legitimate earnings are missing from their earnings record to obtain proper credit when they provide SSA additional information that substantiates their earnings. SSA also employs software routines that match earnings to the correct individuals' records. As of FY 2025, the Earnings Suspense File had accumulated over $2.4 trillion in wages and over 424 million wage items for Tax Years 1937 through 2024.

Progress the Social Security Administration Has Made

Information Security

In FY 2025, SSA continued its efforts to document and communicate cyber-security objectives. For example, the Agency continued developing cyber-risk taxonomy, risk appetite, and risk tolerance statements. SSA also continued implementing its enterprise architecture inventory tool and worked to expand its use of the tool to improve risk management and system security. The Agency also continued maturing its software inventory process. In FY 2025, SSA was developing policies and procedures for IT governance as well as data and metadata inventories.

Social Security Number Protection and Earnings Accuracy

In response to the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (Pub. L. No. 115-174 sec. 215), SSA developed a fee-based electronic SSN verification service known as Consent Based SSN Verification Service. The Service seeks to reduce synthetic identity fraud, which combines fictitious and real information to fabricate an identity. This Service allows permitted entities to verify an individual's SSN, name, and date of birth combination matches Social Security records. Typical electronic Consent Based SSN Verification Service users are companies that provide banking and mortgage services, process credit checks, provide background checks, or satisfy licensing requirements. SSA requires that the numberholder provide written consent with a wet or electronic signature to disclose the SSN verification. As of FY 2025, the electronic Consent Based SSN Verification Service had processed approximately 87.4 million verifications.

SSA has taken steps to reduce the Earnings Suspense File's size and growth. The Agency allows employers to use its SSN Verification Service to verify their employees' names and SSNs before they report wages to SSA. Of the 407,129 registered SSN Verification Service users, 104,171 had been active in the past 2 years, and 80,429 had been active in the past year. As of FY 2025, these employers used the SSN Verification Service to verify SSNs almost 240 million times.

What the Social Security Administration Needs to Do

- Address the deficiencies the contractor identified and ensure adherence to Federal guidelines to improve SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data.

- Continue to be vigilant in protecting SSNs and personally identifiable information, including ensuring employees properly respond to losses of information.
- Continue efforts to improve wage reporting by informing employers about potential SSN misuse cases, identifying and resolving reporting problems; re-examining the validity and integrity checks used to prevent suspicious Forms W-2, *Wage and Tax Statement*, from being posted; encouraging greater use of SSA's verification programs; and reviewing how best to remove more wage items from the Earnings Suspense File.

Key Related Links

Office of Audit Publications

- *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2025* (142501), September 2025.
- *Plans of Action and Milestones* (142320), September 2025.
- *Contractor Labor Qualifications and Government Furnished Equipment* (152411), September 2025.
- *Personally Identifiable Information Loss Reporting* (042401), September 2025.
- *Direct Deposit Changes by Social Security Administration 800-number Staff* (012401), September 2025.
- *Firewall Administration* (142315), August 2025.
- *Role-based Training* (142317), August 2025.
- *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2024* (142401), September 2024.
- *Security Assessment and Authorization Process* (A-14-21-51093), September 2024.
- *Security of Common Control Providers* (142319), August 2024.
- *Security of the Business Services Online* (022329), August 2024.

Other Related Links

- National Institute of Standards and Technology - *Zero Trust Architecture*
- OMB - M-25-04 - *Fiscal Year 2025 Guidance on Federal Information Security and Privacy Management Requirements*

Modernize Information Technology

SSA must continue modernizing its IT to accomplish its mission as efficiently and effectively as possible.

Why This is a Challenge

SSA relies on its IT to serve the public and safeguard SSA programs. Rapid, continuous technology advancements and the continuing shift to virtual services and communications reinforce the pressing need to modernize SSA's programs and service delivery. SSA must fundamentally rethink how it delivers services, the processes and infrastructure that support that delivery, and the policies that enable delivery. If SSA does not complete and timely modernize its legacy systems, it runs the risk of increased maintenance costs and decreased capacity to support business and processing needs.

SSA continues relying on outdated applications and technologies to process its core workloads, including retirement and disability claims, and knowledge of its dated applications and legacy infrastructure will diminish as developers retire. The Agency's 2025 workforce optimization resulted in a smaller workforce, and SSA faces the challenges of using new technology, such as Artificial Intelligence (AI) tools, to bridge the gap to creating customer experience improvements.

Finally, since 2023, SSA has had six Commissioners and nine Chief Information Officers, including those serving in an acting role. As contractors found in the September 2024 audit *Legacy Systems Modernization and Movement to Cloud Services*, changes in leadership can result in changes in modernization priorities, which can lead to discontinued and incomplete IT projects.

Information Technology Modernization and Investment Management

IT modernization is a multi-faceted and ongoing challenge. SSA must maintain its legacy systems while developing modern systems to keep pace with increasing workloads and increased demand for additional service delivery options, such as online appointments and self-service. To support its IT modernization, SSA used Agile development, which took an iterative approach to incrementally deliver new software solutions. While SSA took steps to address findings and observations in our August 2022 review of *Agile Software Development at the Social Security Administration*, our September 2024 review of SSA's *Development and Implementation of the Debt Management Product* found SSA did not apply the key Agile practice of incrementally delivering usable segments to users. In our September 2025 review of SSA's *Consolidated Claims Experience for Supplemental Security Income*, we found SSA used an Agile approach and released the claims-taking system in increments but did not request feedback from target users, as the Agile methodology recommends. Specifically, SSA neither (1) consistently obtained direct, ongoing feedback from frontline employees during the development of the system nor (2) conducted baseline testing with frontline employees to evaluate how releases impacted Supplemental Security Income (SSI) processing. Without feedback and insights from frontline employees, SSA limited its ability to fully understand user needs and implement productivity-enhancing improvements for SSI claims processing.

Further, in 2024, our contract auditor found SSA did not have a comprehensive plan to modernize its legacy systems. It neither assessed the risk imposed by these legacy systems nor maintained sufficient inventory and cost information for its legacy systems. Finally, SSA is still developing its enterprise architecture that should guide its modernization strategy.

Federal laws and guidance require that agencies properly manage IT Investments and facilitate the rapid adoption of changing technologies in a way that enhances the security, privacy, and management of information resources. However, our September 2024 audit of *Legacy Systems Modernization and Movement to Cloud Services* identified various issues. SSA did not maintain an *Information Resources Management Strategic Plan* and review that Plan annually with the *Agency Performance Plan*. In addition, the Agency did not maintain cost documents for modernization projects and lacked critical management information for its legacy systems for making strategic and investment decisions. Finally, SSA did not review its investments according to its policy to confirm delivery of planned benefits in estimated costs and provide valuable feedback for continuously improve its capital planning and investment control process.

As detailed in our September 2024 review of SSA's *Development and Implementation of the Debt Management Product,* at the end of FY 2023, the Agency paused the major IT investment without delivering the debt management software to production for users, stating the investment was no longer considered a priority. Although the Agency had invested $69 million in the project over 6 years, SSA is no longer pursuing the Debt Management Product. As of August 2025, SSA had paused all system modernization efforts due to higher priorities and resource limitations. However, SSA is working with the Department of the Treasury's Bureau of the Fiscal Service to implement the Centralized Receivables Service for debtors in non-pay status. This government-wide shared service for debt collection will take on billing and collection services and systems currently managed by SSA's Chief Information Officer and Operations technicians.

Artificial Intelligence

AI is pivotal technology that can benefit nearly every Federal agency. In April 2025, OMB rescinded and replaced prior AI guidance and directed agencies to prioritize the use of AI that is safe, secure, and resilient. The new guidance established several timelines for agencies to meet key milestones, including developing agency strategy for removing barriers to the use of AI; developing a generative AI policy; implementing the minimum risk management practices for high-impact uses of AI; and annually and publicly releasing an AI use case inventory. SSA has been expanding its use of AI technologies to bridge the gap to creating customer experience improvements with a smaller workforce and budget uncertainty. However, using AI carries the potential for harm and must be monitored for adverse impacts.

Progress the Social Security Administration Has Made

Information Technology Modernization

SSA has committed to becoming a digital-first, technology-driven organization. The Agency plans to work quickly to create an actionable IT modernization plan to improve systems for employees and the public. In April 2025, SSA expanded its online disability application to include a streamlined version of the initial SSI application. The Agency also upgraded its *my* Social Security online portal to eliminate maintenance windows and provide customers with uninterrupted, 24/7 access. However, SSA has no immediate plan to replace its legacy systems.

Artificial Intelligence

SSA established AI policy and guidance and revised its guidance earlier this year. For example, SSA updated its AI Implementation Framework and risk assessment guidance. The Agency conducts AI Impact Assessments every time AI is used and is updating its investment process.

The Agency plans to use AI to help staff work more efficiently and effectively. SSA has already developed over 30 use cases to implement AI for various purposes, including increased productivity, program integrity, and security. For example, the Agency released its Agency Support Companion, an AI assistant designed to help employees with business-related tasks and inquiries. Further, SSA has AI tools for disability decision support and identification of high-risk claims. The Agency also plans to use AI to help the public apply for benefits, understand the Agency's programs, and answer their questions. As SSA seeks to expand its AI capabilities, it has committed to ensuring strong guardrails are in place.

What the Social Security Administration Needs to Do

- Expand digital modernization to eliminate outdated technology and provide electronic and automated customer service options to reduce the burden on customers and optimize internal business processes for employees based on user needs.
- Expand the use of AI to improve operations and public service while protecting the Agency's sensitive information.
- Establish proper oversight and identify primary areas where AI can help the Agency, such as program administration and fraud prevention and detection.

Key Related Links

Office of Audit Publication

- *Consolidated Claims Experience for Supplemental Security Income* (062324), September 2025.
- *Legacy Systems Modernization and Movement to Cloud Services* (142312), September 2024.
- *Development and Implementation of the Debt Management Product* (142313), September 2024.

Improve the Administration of Disability Programs

SSA needs to improve how timely and accurately its processes disability-related workloads and improve its support for state DDSs. Additionally, to prevent improper payments, SSA needs to ensure beneficiaries continue meeting disability eligibility factors.

Why This is a Challenge

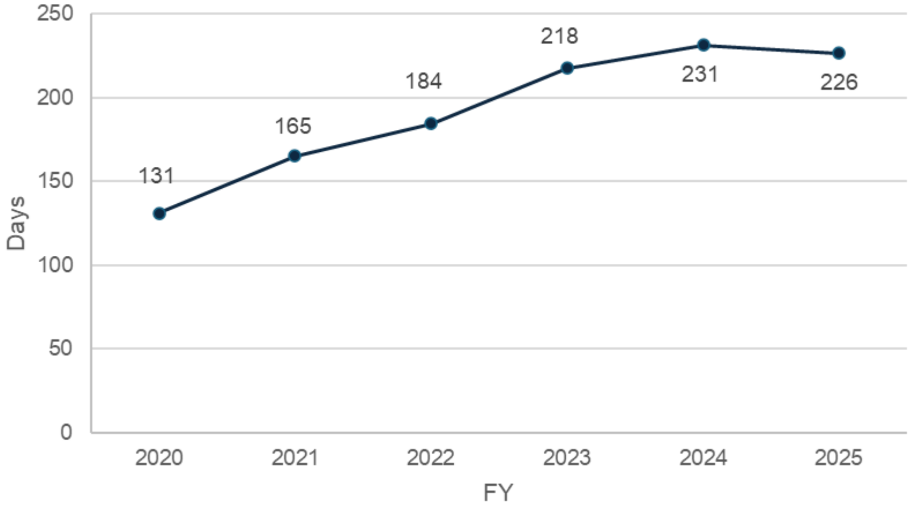
SSA's *FY 2024 Agency Financial Report* stated SSA disability programs consumed over 50 percent of its administration resources for FY 2024 and comprised only 14 percent of the total benefit payments made. To ensure proper stewardship of public financial resources, it is imperative that SSA stay proactive to improve its administration of the disability programs.

Disability claimants rely on SSA to process initial disability claims and appeals quickly and accurately for vital income support and access to essential healthcare. Processing times for initial disability claims and pending levels for reconsiderations continue to increase. As a result, disability claimants are waiting longer for determinations and decisions. Additionally, state DDSs continue to face significant challenges in attracting, hiring, training, and retaining staff, which contributes to increased wait times for claimants' disability claims to be processed.

Disability Claims Processing

SSA's *FY 2025 Operating Plan* focuses on completing 2.39 million initial disability claims and achieving an average processing time of 215 days. In May 2025, after SSA implemented an Agency-wide organizational restructuring that included significant workforce reductions, SSA released a revised performance plan for FY 2025. In the revised plan, SSA adjusted its performance goals to complete 2.35 million initial disability claims and achieve an average processing time of 225 days. As of September 2025, SSA had processed 2.34 million initial disability claims and achieved an average processing time of 226 days (see Figure 1), which was a decrease from FY 2024 but an increase over FY 2023 and not at SSA's goal. Thus, SSA should prioritize reducing processing times.

Figure 1: Initial Overall Average Processing Time



SSA could improve its controls over disability claims processing. Our August 2025 review of *Denied Disability Claims that Required Manual Notifications to Claimants* found SSA did not consistently close out denied disability claims that required manually generated notifications be issued to claimants. For 21 of 175 sampled claimants who refiled for disability benefits after an initial denial, SSA did not properly close out their original denied claims. In these instances, SSA did not correctly notify the claimants of its original denial decision or properly develop their original claims before it denied them. When the claimants later refiled for disability benefits, SSA owed them additional months of retroactive payments (underpayments). We estimate SSA owed 9,532 claimants approximately $56 million in additional benefits. These issues occurred because SSA employees did not follow established policies and procedures for processing disability claims. In these instances, employees did not properly issue manually generated notifications or fully develop the claims. Proper development requires that key elements of documentation, such as obtaining evidence, evaluating work activity, and assessing other eligibility factors necessary to make an informed determination, be completed.

Claimants who disagree with the initial disability determination may appeal. Reconsiderations are generally the first step of the appeals process and involve a re-examination of evidence. From the end of FY 2024 to September 2025, SSA's pending reconsiderations increased approximately 12 percent, from 331,574 to 370,278, respectively.

Hearings before an administrative law judge are generally the next level of appeal if a claimant is dissatisfied with a reconsideration determination. Effective May 2025, SSA revised its FY 2025 hearings processing time goal from 270 to 280 days. While SSA successfully reduced the average processing time for hearings from 342 days in FY 2024 to 284 days in FY 2025, it still has not achieved its revised goal. Additionally, the number of pending hearings as of September 2025 was down 33 percent from 418,313 in FY 2020 but exceeded the number pending for FY 2024 (see Table 1).

Table 1: Hearing Counts

FY	Receipts	Dispositions	Pending	Average Processing Time
2020	429,357	585,918	418,313	386
2021	383,650	451,046	350,137	326
2022	349,892	352,899	346,567	333
2023	356,114	377,685	321,819	450
2024	363,191	422,797	261,574	342
2025	377,915	359,081	279,857	284
Change FY 2020 Through August 2025	**-12%**	**-39%**	**-33%**	**-26%**

Throughout the hearings process, SSA reviews administrative law judge decisions and uses a variety of reports and data to monitor administrative law judges and hearing office workloads. In our September 2025 review of *Administrative Law Judges with the Highest and Lowest Allowance Rates*, we reported the FY 2023 allowance rates for 24 administrative law judges in our review were outliers because they were significantly higher or lower than the FY 2023 average. Despite being outliers, SSA's Appeals Council concluded the administrative law judges' decisions were generally accurate. As such, high or low allowance rates—in and of themselves—do not indicate erroneous decisions, as many factors can contribute to wide variances in allowance rates. Consistent with observations from prior reviews, and based on our interviews with employees, we attributed the variances in allowance rates to many factors, most notably the administrative law judges' interpretation of evidence, claimants' accessibility to healthcare, the volume of medical evidence, and the service area's demographics. Oversight mechanisms, such as Appeals Council reviews and ongoing monitoring, can help ensure decisions remain accurate and policy-compliant, regardless of individual allowance rates.

Disability Determination Services' Operations

State DDSs play a significant role in SSA's disability claim process. Once an SSA field office employee determines a claimant meets the non-disability criteria for benefits, they typically forward the claim to the DDS with jurisdiction. DDS employees develop medical evidence and determine whether a claimant is disabled or blind under the law. There are DDSs in each of the 50 states, the District of Columbia, and Puerto Rico.

Our July 2025 review of *Staffing, Productivity, and Processing Times at State Disability Determination Services* stated that, during FYs 2019 through 2023, DDSs lost key technical staff, including disability examiners, who developed medical evidence and made disability determinations. The attrition rate for DDS full-time disability examiners each FY ranged from 13 to 25 percent (an average of 19 percent). The overall average attrition rate for total DDS staff during this time was 13 percent. DDS staff losses coincided with a 15-percent reduction in disability determinations, from 2.2 to 1.9 million, and an 81-percent increase in processing times, from 121 to 219 days. Though there are unique challenges for each region and DDS, SSA and DDS management we interviewed identified two common issues they attribute to the loss of key technical staff: (1) outdated classification for disability examiners and (2) increased job complexity. Furthermore, inconsistent hiring authority resulted in DDS' inability to replace staff who separated.

SSA's ability to address DDS staffing levels and productivity issues is limited by the complexities of the Federal-state relationship and historical budget constraints. SSA and DDS management have attempted to work within these limitations to develop such initiatives as offering workload assistance, streamlining procedures, and creating a recruitment and retention workgroup to share best practices across all DDSs. However, despite these efforts, DDSs struggled with achieving staffing levels needed to prevent reduced productivity and increased processing times.

Ensuring Individuals' Continued Eligibility for Benefits

Our February 2025 audit of *Overpayments Assessed in Fiscal Years 2020 Through 2023* found SSA attributed 51 percent of SSI overpayments to beneficiaries who did not timely report wages, self-employment, or other income and 36 percent of Old-Age, Survivors, and Disability Insurance (OASDI) overpayments related to cessation of beneficiaries' disabilities or performance of substantial gainful activity. SSI recipients are required to promptly report to SSA such events as changes in income, resources and living arrangements, and marital status as this information can affect their eligibility or payment amount. Similarly, OASDI beneficiaries must inform SSA of changes in their work status, income, or medical condition for the same reasons.

To determine whether beneficiaries continue to be eligible for benefits, SSA periodically conducts continuing disability reviews (CDR) to evaluate any changes in medical condition or work activity. SSA conducts medical CDRs based on the likelihood of medical improvement—categorized as expected, possible, or not expected each with a different timeline for review. For FY 2025, SSA set a stewardship goal to complete 100 percent of targeted full medical CDRs, totaling 375,000. As of September 2025, SSA had completed 449,078 full medical CDRs and exceeded its goal before the end of the FY. This accomplishment is an improvement from the 423,126 CDRs SSA cleared in FY 2024; however, SSA's full medical CDRs cleared were still down from the 600,879 cleared in FY 2023.

Progress the Social Security Administration Has Made

Disability Processing

SSA has made policy and procedural changes to help streamline the disability process. In June 2024, SSA reduced the past relevant work period a claimant must document from 15 to 5 years, which in turn reduces the number of past work years the employee must consider during review. This change lessens the claimant and employee's burden while providing enough information to make appropriate disability decisions.

Additionally, in January 2025, the Agency implemented the Disability Examiner Decisional Authority Initiative, which allowed experienced disability examiners to independently make medical assessments for fully favorable disability determinations in specific cases. This authority applies to initial adult claims with physical impairments and is granted once a state has made every reasonable effort to recruit qualified and sufficient medical consultants. This initiative was designed to reduce the claims backlog and improve processing times.

In July 2020, SSA contracted with a research center to identify opportunities for policy improvement and increase efficiency and accuracy in administering the disability programs. Our April 2025 audit of the *Contract with Johns Hopkins University Applied Physics Laboratory for Analysis of the Social Security Administration's Disability Process* found only 2 of the 10 contracted deliverables were implemented: improving SSA's front-end processes and implementing a peer review program. SSA agreed to establish a plan of when and how it will implement the remaining deliverables provided under the contract as well as how SSA will track the implementation's progress to determine whether the analyses, prototypes, and recommendations provided in those deliverables improve SSA's disability programs.

In response to the Agency-wide organizational restructuring that included significant workforce reductions from February through April 2025, SSA stated, "Improving the national average processing time for initial disability claims and reducing the number of older cases remains a priority for the [A]gency." According to SSA, the new structure positions it to better manage workloads to improve public service, enhance quality, and ensure timely and consistent adjudication of disability claims.

Disability Determination Services' Operations

SSA has worked with DDSs to understand the underlying reasons for attrition. For example, in 2022, SSA started a recruitment and retention workgroup that comprised a representative from each DDS region and other SSA subject-matter experts in relevant components. The workgroup shared best practices for pay, bonus, recruitment, and retention and provided other helpful resources for DDSs to use related to attrition prevention. However, the workgroup paused its efforts in June 2024 because of a hiring freeze. As of April 2025, the workgroup was still inactive. SSA has neither control over congressional budget decisions nor a direct role in DDS' workforce planning or retention. Therefore, to support DDSs, SSA plans to explore alternate ways to transfer cases to disability processing sites, continue to develop workload assistance partnerships between the state DDSs, and enhance Federal capacity of claims processing.

Ensuring Eligibility

Effective April 7, 2025, SSA initiated a nation-wide phased roll out of the Payroll Information Exchange (PIE). PIE is an automated system that obtains wage and employment information directly from payroll data providers to improve program administration and prevent improper payments in SSA's disability programs. By implementing this system, SSA aims to reduce the wage reporting burden on the public and decrease manual wage-related workloads for its employees. SSA completed the roll out in September 2025. Additionally, SSA plans to process approximately 200,000 more full medical CDRs by the end of FY 2026 than in FY 2024.

Achieving both goals will help ensure beneficiaries receive the benefits to which they are entitled while safeguarding the integrity of SSA's benefit programs.

What the Social Security Administration Needs to Do

- Continue identifying process improvements that will improve processing times and accuracy for initial disability claims.
- Continue partnering with DDSs to address staff shortages caused by attrition and hiring challenges.
- Continue identifying process improvements that ensure disability eligibility factors are met to prevent improper payments.

Key Related Links

Office of Audit Publications

- *Administrative Law Judges with the Highest and Lowest Allowance Rates* (032404), September 2025.
- *Denied Disability Claims that Required Manual Notifications to Claimants* (062317), August 2025.
- *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), July 2025.
- *Contract with Johns Hopkins University Applied Physics Laboratory for Analysis of the Social Security Administration's Disability Process* (062325), April 2025.
- *Overpayments Assessed in Fiscal Years 2020 Through 2023* (062405), February 2025.
- *State Workers' Compensation Offset (Colorado and Minnesota)* (022403), January 2025.

Social Security Administration Publications

- *The Social Security Administration's Agency Financial Report for Fiscal Year 2024*
- *Agency Strategic Plan, FYs 2022-2026*
- *Annual Performance Plan for Fiscal Year 2025, Revised Performance Plan for Fiscal Year 2024, and Annual Performance Report for Fiscal Year 2023*
- *Annual Performance Plan for Fiscal Year 2026 and Revised Performance Plan for Fiscal Year 2025*
- *FY 2025 President's Budget Overview*

Improve the Prevention, Detection, and Recovery of Improper Payments

SSA must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments and recovering overpayments when they occur.

Why This is a Challenge

SSA issues over $1.5 trillion in benefit payments, annually. Even the slightest error in the overall payment process can result in millions of dollars in improper payments. Improper payments can be overpayments, when SSA pays someone more than they are due, or underpayments, when SSA pays someone less than they are due. SSA estimates, as of FY 2024, it made almost $11.3 billion in improper payments in FY 2025: approximately $9.3 billion in overpayments and almost $2 billion in underpayments.

Our February 2025 review of *Overpayments Assessed in Fiscal Years 2020 Through 2023* found SSA had limited access to automated real-time information required to determine beneficiaries' eligibility and payment amounts. Instead, SSA depended on beneficiaries, representative payees, and family members to timely provide this information or to receive this information, after the fact, from other sources. On March 3, 2025, SSA's final rule, *Use of Electronic Payroll Data to Improve Program Administration*, became effective. This rule supports the use of information exchanges with payroll data providers to prevent wage-related improper payments that can otherwise occur when SSA does not receive accurate wage and employment information timely. Without more automated data feeds like PIE, SSA will continue requiring resources for assessing and pursuing the recovery of billions of dollars in overpayments. This places a burden on SSA by requiring that SSA employees spend valuable time on these processes versus focusing on other workloads as well as on beneficiaries who must determine how to pay back the overpayments. Obtaining data that assist with making eligibility and payment determinations from external sources, such as other Federal and state agencies, is critical to preventing and detecting improper payments.

Causes of Improper Payments

Unreported disability cessation, performance of substantial gainful activity, and the application of early retirement annual earnings tests were the leading causes of OASDI overpayments whereas unreported earnings or income and other information affecting eligibility—including beneficiaries' disability cessation, unreported excess resources, incarceration, and residence outside the United States—were leading causes of SSI improper payments. SSI recipients are required to report to SSA (within 10 calendar days after the end of the month in which the event or change occurred) such events as changes in work status, medical condition, income, resources and living arrangements, or marital status. Beneficiaries' "failure to report" this information can affect their eligibility or payment amount and may also include a penalty deduction. In its *Fiscal Year 2024 Title XVI Payment Accuracy Report,* SSA noted its reliance on individuals' self-reporting information to SSA underscores the need for the Agency to develop alternate sources of the information to administer the SSI program. This included automated solutions where feasible.

Additionally, although SSA's systems automatically process many transactions, there are still workloads that require employees' manual actions. These workloads could contain errors that could lead to improper payments. For example, our March 2025 report on the *Rejection of State Death Reports* estimated SSA rejected approximately 702,000 state reports with valid death information, which resulted in over $327 million in improper payments issued to approximately 16,000 beneficiaries after they died. SSA's Death Information Processing System rejected most of these state reports because it did not allow processing of death reports with Online Verification system discrepancies. The Death Information Processing System rejected other reports that had valid death information because the reports contained minor SSN discrepancies. The rejection of state death reports with valid death information also created additional work for SSA employees as they had to manually add some individuals' death information to the Death Information Processing System because it did not automatically process their death reports. We worked with SSA to determine that employees spent, or will spend, approximately 199,000 hours manually processing actions to correct records for the individuals we identified. This cost SSA approximately $12 million in administrative expenses.

In another example, our September 2025 review of *Denied Child's Insurance Benefit Claims* estimated SSA employees incorrectly denied 24,555 claims for child's insurance benefits for reasons unrelated to disability. As a result of employee errors, SSA did not pay these beneficiaries approximately $92.2 million in benefits and delayed paying these beneficiaries approximately $87.7 million in benefits to which they were entitled. SSA employees denied an additional estimated 28,661 claims before they appropriately completed all required actions; therefore, there was not enough information in SSA's records to determine whether Agency employees appropriately denied the claims. To prevent future errors, SSA should establish controls to ensure employees request all relevant evidence and document all required actions in its systems before denying a claim for child's insurance benefits, when required. Without improvements, employees will continue incorrectly denying claims, and the Agency will not pay thousands of child beneficiaries the benefits to which they are entitled.

Recovering Overpayments

Preventing overpayments is more advantageous than recovering them since SSA must expend additional resources to recover the overpayments or process additional payments to rectify underpayments. In our September 2025 review of *Processing Old-Age, Survivors, and Disability Insurance Overpayments*, based on our sample results, we estimated SSA generally followed policy and used available tools when it processed 806,580 overpayments (81.5 percent). However, we estimated SSA incorrectly processed, or could have processed sooner, approximately 183,100 overpayments (18.5 percent) totaling almost $612 million. Erroneously established and incorrectly calculated overpayments result in an undue burden on both the Agency and the public. Individuals assessed an overpayment incorrectly or for an incorrect amount may either (1) pay more than they owe or (2) have to request a reconsideration or use additional methods of overpayment relief that may be available, such as a waiver. In fact, overpaid individuals who request a waiver or reconsideration may prompt SSA to correct errors Agency systems or employees make in establishing or calculating overpayments. However, SSA employees must then process these requests, and the Agency does not have timeliness standards for processing them. Prolonged decisions on these requests or under-calculated overpayments can delay or prevent recovery, resulting in a negative effect on SSA's trust funds.

In addition, we estimate SSA overstated by approximately $904 million the overpayments the Agency recovered during FYs 2022 and 2023 because the Agency's systems reflected overpayments as recovered by benefit withholding when they were not. SSA's overstatement of recovered overpayment amounts may lead to misunderstandings about the Agency's performance. If SSA does not address the issues that contribute to this misreporting, it risks continuing to provide inaccurate information to the Administration, Congress, and public. It is important that SSA calculate and process overpayments effectively and accurately reports overpayment information to stakeholders.

Progress the Social Security Administration Has Made

Causes of Improper Payments

In its *Agency Strategic Plan for FYs 2022-2026,* SSA noted it continued addressing the root causes of improper payments and improve payment accuracy (including over- and underpayments). Additionally, SSA has developed a vision for addressing improper payments (see Figure 2).

Figure 2: SSA's Vision of the Future State of the Payment Experience

Note: IP = improper payment. Source: SSA, *Improper Payment, Package of Reduction Initiatives*, FY 2025, 2nd Quarter, last updated April 30, 2025.

In FY 2025, SSA continued monitoring the progress of mitigation strategies and corrective actions to address improper payments. For example, since FY 2019, SSA's Improper Payments Team has developed Improper Payment Alignment Strategies to determine and document the underlying causes of payment errors and track corrective action plans. As of FY 2025, the Team has published 11 Improper Payment Alignment Strategies, the latest being on OASDI Computations and OASDI Relationship and Dependency.

Our May 2025 audit of *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2024* concluded SSA did not comply with two reporting requirements for the SSI program because it did not (1) demonstrate improvements in 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. Our February 2025 audit of *Overpayments Assessed in Fiscal Years 2020 Through 2023* found SSA attributed 51 percent of SSI overpayments to recipients who did not timely report earnings or income. However, SSA noted in its *FYs 2025-2026 Annual Performance Plan* that it was implementing PIE to automate the timely receipt of wages so SSA can make more accurate benefit payments, which will reduce improper payments. PIE reduces the public's burden to report wages and manual work for employees who process reported wages. SSA completed the roll out of PIE in September 2025 and plans to continue raising public awareness of the exchange.

Recovering Overpayments

To address the inherent challenges to recovery of overpayments and other funds owed to the Agency, SSA initiated several projects in FY 2025 to increase collections.

- In March 2025, SSA resumed collections via the Treasury Offset Program for those debtors who received a notice of referral before March 2020. As of FY 2025, SSA had collected about $61 million. In August 2025, SSA began the notice process for those not yet referred.
- Effective with overpayments established on or after April 25, 2025, SSA increased the overpayment withholding rate from 10 to 50 percent for OASDI overpayments. This included updates to overpayment benefit withholding notices to inform the public about the increased default withholding rate applied to monthly benefit payments for new overpayments.
- Began a pilot a program that will explore the feasibility of using the Department of the Treasury's Centralized Receivables Services for collections. Centralized Receivables Services is a shared service provider that could perform the Agency's collection work. SSA plans to refer a small set of simple OASDI overpayments to Centralized Receivables Services for collection in December 2025. If this proves successful, SSA will expand the pilot to include other debt categories.
- Started a project to modernize all payment stubs to include the option to repay a debt by electronic options, including using a bank's Online Bill Pay service or Treasury's pay.gov portal. SSA expects these electronic options will make it easier for debtors to repay and increase recoveries. This project will also help support the Administration's efforts to increase electronic payments to the Government, as required by Executive Orders 14247 and 14249.

What the Social Security Administration Needs to Do

- Identify and prevent improper payments through automation and data analytics. SSA needs to use available data to better identify changes that affect beneficiaries' and recipients' benefit payments.

- Continue expanding efforts to collect data from reliable third-party sources that would aid SSA in mitigating discrepancies that can occur when beneficiaries or recipients' self-report information.
- Continue addressing the root causes of improper payments to prevent their occurrence.

Key Related Links

Office of Audit Publications

- *Benefits Withheld Pending the Selection of a Representative Payee* (052405), September 2025.
- *Processing Old-Age, Survivors, and Disability Insurance Overpayments* (072301), September 2025.
- *Denied Child's Insurance Benefit Claims* (032317), September 2025.
- *Follow-up on Dually Entitled Beneficiaries and Family Maximum Provisions* (052301), September 2025.
- *Match of New York State Death Information Against Social Security Administration Records* (022402), September 2025.
- *The Social Security Administration's Methodology for Estimating Improper Payments* (152507), September 2025.
- *Remittance Processing* (072311), July 2025.
- *Individuals Who Elect to Receive Retirement Benefits After Age 70* (012306), June 2025.
- *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2024* (152415), May 2025.
- *Rejection of State Death Reports* (042304), March 2025.
- *Match of Idaho Death Information Against Social Security Administration Records* (062410), March 2025.
- *Overpayments Assessed in Fiscal Years 2020 through 2023* (062405), February 2025.
- *State Workers' Compensation Offset (Colorado and Minnesota)* (022403), January 2025.
- *Match of New York City Death Information Against Social Security Administration Records* (022333), December 2024.

Social Security Administration Publications

- *Repay overpaid benefits*
- *Overpayments Fact Sheet*

Other Sources

- *PaymentAccuracy.gov*