A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



I am honored to join Commissioner Bisignano in issuing our fiscal year (FY) 2026 *Agency Financial Report* (AFR). The AFR provides an overview of our financial position and condition, summarizes the results of operations, and discusses our use of budgetary resources in FY 2026 to transform SSA into a premier customer service organization with a digital-first approach. We provide a summary of our progress towards meeting our strategic goals in the *Key Performance Results* section.

I am proud that, for the 33rd consecutive year, we received an unmodified audit opinion on our financial statements from our independent auditors. An unmodified audit opinion confirms that our statements present our financial position fairly and are free of material misstatement. Our independent auditors also issued an unmodified opinion on the effectiveness of our internal control over financial reporting. The auditors determined that we had no material weaknesses and cited one significant deficiency identified in prior years concerning internal control over accounts receivable with the public (i.e., benefit overpayments). Efforts are underway to rectify deficiencies identified through audits by using corrective action plans to mitigate risks and strengthen our internal controls. We are committed to continuous improvement and strive to operate a pristine control environment. This year, we successfully remediated a longstanding significant deficiency concerning internal controls over certain financial information systems demonstrating our commitment to maintaining effective information technology internal controls and strengthening the integrity of our financial reporting environment. We provide additional information on the auditors' findings and our corrective actions in the *Analysis of Systems, Controls, and Legal Compliance* and *Agency Response to the Reports of Independent Auditors* sections of this report.

As Chief Financial Officer, I collaborate with our leadership team to implement transformative initiatives that enhance agency performance, lower expenses, and deliver exceptional service to our customers. Guided by the Commissioner's direction, we are committed to making the most effective use of the resources entrusted to us to administer the nation's social insurance programs. While much of our financial management work occurs out of public view, it plays a crucial role in advancing the agency's mission. In FY 2026, we accomplished several key initiatives that support our agency's strategic priorities:

- **Treasury Offset Program (TOP):** TOP is a fully automated, centralized offset program that intercepts Federal and State payments to collect delinquent debts owed to Federal and State agencies. TOP allows us to collect delinquent debt by tax refund offset, administrative offset, and Federal salary offset. In March 2025, after a 5-year suspension due to the COVID-19 pandemic, we resumed use of TOP for debts previously referred to the Department of the Treasury (Treasury) for offset. In August 2025, we resumed pre-offset notifications to debtors with delinquent debts incurred after March

2020. Since our March 2025 TOP resumption, Treasury has offset over 323,000 Federal and State payments and collected $645 million in our delinquent programmatic debt. In FY 2026, we collected nearly $584 million.

- **Reduce Paper Checks:** In support of Executive Order 14247, *Modernizing Payments To and From America's Bank Account*, we continued our efforts to reduce and eliminate paper check disbursements and receipts. In FY 2026, the total number of paper checks we issued decreased by 3.8 million, representing a 41 percent reduction compared to FY 2025. Additionally, 99.5 percent of benefit payments were made electronically in FY 2026, up from 99.1 percent in FY 2025. We also expanded our electronic remittance options, including Pay.gov and Online Bill Pay, to all overpayment notices. In the fourth quarter of FY 2026, we achieved our highest percentage of online remittances to date – 52 percent of all remittances were paid using Pay.gov or Online Bill Pay.
- **U.S. Debit Card (USDC) Initiative:** As directed by Executive Order 14247, *Modernizing Payments To and From America's Bank Account*, we modified the payment avenue for immediate and emergency advance payments issued by our field offices. We modified the Third-Party Payment system to incorporate Treasury's USDC to replace paper drafts. Since the successful deployment of these modifications on February 7, 2026 through September 30, 2026, the agency has issued 2,185 USDCs to those recipients and beneficiaries demonstrating dire need.
- **Centralized Receivables Service (CRS):** CRS is a government-wide shared service for debt collection provided by Treasury's Bureau of Fiscal Service. In March 2026, we began a partnership with CRS to strengthen our debt recovery program and return money to the trust funds. In FY 2026, we transferred nearly 3,800 debts, totaling $111 million to the program for collection.
- **Do Not Pay (DNP):** As directed by Executive Order 14249, *Protecting America's Bank Account Against Fraud, Waste, and Abuse*, all programmatic and administrative payments are now screened through DNP. During FY 2026, DNP screened 944.5 million agency payments, and since moving most of our monthly benefit payments to production on April 9, 2026, the agency has stopped 1,542 payments totaling about $2.7 million prior to disbursement. Additionally, we completed all DNP onboarding milestones which expand DNP capabilities to include pre-screening of data prior to payments being generated on our payment files. These efforts enhance pre-payment controls, reducing the risk of improper payments, and supporting more efficient stewardship of agency resources.
- **Information Technology (IT) Investment Intake:** We developed and maintain an automated tool to track, manage, and report on the agency's software development projects. This functionality enables users to submit ideas for enhancements, maintenance, policy changes, and other work, supporting the IT investment intake process by providing a consistent, transparent method for evaluating, prioritizing, and approving proposed work. In FY 2026, we approved 93 ideas submitted by users and converted 4 into new projects.
- **Real Property Reduction:** In FY 2026, we submitted notices of intent to the General Services Administration to reduce our real property footprint by 1,986,516 usable square

feet (USF), exceeding our 1,000,000 USF target for the year. These reductions generate over $70 million in annualized cost avoidance.

- **Print and Postage Savings:** To improve customer experience and reduce cost, we modernized written communications with beneficiaries to comply with United States Code Title 44, which requires all printing to go through the Government Publishing Office. This initiative reduces costs associated with mailing notices and eliminates the need for field office staff to print and mail notices, thus reducing task time for technicians and enabling them to focus on mission critical activities and serving the public. With the 21 million notices that have transitioned from local to Central Print, we estimate future annual administrative cost savings of $63 million. We also saved $19.5 million on print and postage costs by providing more notices online, which allows beneficiaries to view the notice in their secure, personalized *my* Social Security account.
- **Mail Centralization and Digitization (MCD):** We continue to transform how the agency processes incoming mail by expanding the use of MCD across the country. MCD digitizes incoming mail and electronically assigns mail to field offices to update our records, alleviating the need for front line staff to manually process mail. Centralizing digitization allows field office technicians more time to focus on mission critical workloads and servicing the public. Through FY 2026, MCD has saved the agency $34.1 million in labor costs.
- **Facilities Operations:** We refined our work processes under the agency's centralized facilities management structure and provided proactive support to quickly identify, coordinate, and resolve facility issues affecting public facing offices nationwide. We collaborated with operational components, the General Services Administration, and other stakeholders to address unforeseen issues, such as water intrusions, power outages, and structural concerns, to minimize disruptions and expedite corrective actions. These efforts enabled the agency to ensure the public has continued access to critical services and advancing the agency's mission to be the premier service provider.
- **Audits:** This fiscal year, we strengthened financial stewardship and audit readiness through enhanced oversight and cross-component coordination. We advanced a major enterprise initiative by accelerating the resolution of high-impact audit recommendations and improving the rigor of audit responses. We achieved a closure rate exceeding 90 percent, generating meaningful savings for the agency and the public. These results underscore our commitment to preserving and protecting public resources, strengthening internal controls, and supporting the Commissioner's strategic priorities with disciplined, transparent, and fiscally responsible operations.
- **Agency Strategic Plan, Annual Performance Report:** We published the Agency Strategic Plan for FYs 2026–2030, centered on premier service delivery, responsible stewardship of public resources, and a strengthened employee experience and productivity. It reflects our commitment to the American public, our employees, and working with our partners to serve the American public where they want to be met. Over the past year, we achieved double-digit improvement across all key metrics, and this new strategic plan will help us continue to transform Social Security into the premier service provider for the more than 330 million Americans we serve.

We published the FYs 2025–2027 Annual Performance Report (APR) which provides information about our many accomplishments in FY 2025, as well as our planned activities for FYs 2026 and 2027. Included in the APR are 16 performance measures that will demonstrate progress toward the strategic goals and objectives identified in the published FYs 2026–2030 Agency Strategic Plan.

We were awarded the Certificate of Excellence in Accountability Reporting (CEAR) from AGA for our FY 2025 AFR. The FY 2025 CEAR Award marks our 28th annual award which is unparalleled in the federal reporting community. Additionally, we received a CEAR Special Best-in-Class Award for "Excellent Discussion of How the Agency Serves Citizens, and Opportunities for Better Use of Its Resources." The award highlighted our narrative on the agency's mission and programs, how we benefit the public, and the important role we play in the daily lives of Americans. These recognitions demonstrate our ongoing dedication to maintaining superior levels of transparency and accountability.

I want to express my sincere gratitude for our employees' unwavering devotion to the agency and the customers we serve. I deeply appreciate their commitment and diligence in responsibly managing the resources placed in our care. I am honored to work alongside such a talented and focused team.

Respectfully,



Sean P. Brune

Baltimore, Maryland
November 13, 2026

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