

Other Information

Fiscal Year 2026

SSA.gov

OTHER INFORMATION SUMMARY

The *Other Information* section provides information to satisfy additional statutory and Office of Management and Budget reporting requirements.

First, we provide a summary of our financial statement audit and management assurances, and other financial information.

Next, in accordance with the *Reports Consolidation Act of 2000*, *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2026* provides a summary and assessment of the most serious management and performance challenges we face as determined by the Office of the Inspector General (OIG). This section also describes the steps we have taken to address each of these challenges.

Finally, in *Other Reporting Requirements*, we provide information on our payment integrity, entitlement reviews and OIG anti-fraud activities, civil monetary penalties, biennial review of user fee charges, grants programs, and debt collection and management activities.

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

Summary of Financial Statement Audit

Financial Statement Audit					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
Total Material Weaknesses	0	0	0	0	0

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA Section 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Total Material Weaknesses	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA Section 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Total Material Weaknesses	0	0	0	0	0	0
Conformance with Federal Financial Management System Requirements (FMFIA Section 4)						
Statement of Assurance	Federal Systems conform to financial management system requirements					
Non-Conformances	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Total Non-Conformances	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act		
	Agency	**Auditor**
1. Federal Financial Management System Requirements	No lack of substantial compliance noted	No lack of substantial compliance noted
2. Applicable Federal Accounting Standards	No lack of substantial compliance noted	No lack of substantial compliance noted
3. United States Standard General Ledger at Transaction Level	No lack of substantial compliance noted	No lack of substantial compliance noted

OTHER FINANCIAL INFORMATION

Other Financial Information: Balance Sheet by Major Program as of September 30, 2026
(Dollars in Millions)

Assets	OASI	DI	SSI	Other	LAE	Intra-Agency Eliminations	Consolidated
Intragovernmental Assets:							
Fund Balance with Treasury	$ 156	$ 107	$ 5,734	$ 71	$ 877	$ 0	$ 6,945
Investments	2,193,912	262,954	0	0	0	0	2,456,866
Accounts Receivable, Net	527	65	0	0	4,147	(3,189)	1,550
Advances and Prepayments	0	0	6	0	32	0	38
Other Assets	0	0	0	0	100	0	100
Total Intragovernmental Assets	2,194,595	263,126	5,740	71	5,156	(3,189)	2,465,499
Assets with the Public:							
Accounts Receivable, Net	3,616	3,608	5,127	0	5	(592)	11,764
Property, Plant, and Equipment, Net	0	0	0	0	5,075	0	5,075
Total Assets with the Public	3,616	3,608	5,127	0	5,080	(592)	16,839
Total Assets	$2,198,211	$266,734	$ 10,867	$ 71	$ 10,236	$ (3,781)	$ 2,482,338
Liabilities							
Intragovernmental Liabilities:							
Accounts Payable	$ 7,020	$ 767	$ 1,445	$ 15	$ 42	$ (3,189)	$ 6,100
Other Liabilities	0	0	4,851	2	115	0	4,968
Total Intragovernmental Liabilities	7,020	767	6,296	17	157	(3,189)	11,068
Liabilities with the Public:							
Accounts Payable	1	4	279	0	302	0	586
Federal Employee Salary, Leave, and Benefits Payable	0	0	0	0	554	0	554
Post-Employment Benefits Payable	0	0	0	0	232	0	232
Benefits Due and Payable	138,185	32,565	6,027	0	0	(592)	176,185
Advances from Others and Deferred Revenue	0	0	280	0	5	0	285
Other Liabilities	0	0	39	1	1	0	41
Total Liabilities with the Public	138,186	32,569	6,625	1	1,094	(592)	177,883
Total Liabilities	$ 145,206	$ 33,336	$ 12,921	$ 18	$ 1,251	$ (3,781)	$ 188,951
Commitments and Contingencies (Note 9)							
Net Position							
Unexpended Appropriations - Funds from other than Dedicated Collections	$ 0	$ 0	$ 1,324	$ 53	$ 7	$ 0	$ 1,384
Cumulative Results of Operations - Funds from Dedicated Collections	2,053,005	233,398	7	0	0	0	2,286,410
Cumulative Results of Operations - Funds from other than Dedicated Collections	0	0	(3,385)	0	8,978	0	5,593
Total Cumulative Results of Operations	2,053,005	233,398	(3,378)	0	8,978	0	2,292,003
Total Net Position	$2,053,005	$ 233,398	$ (2,054)	$ 53	$ 8,985	$ 0	$ 2,293,387
Total Liabilities and Net Position	$2,198,211	$ 266,734	$ 10,867	$ 71	$ 10,236	$ (3,781)	$ 2,482,338

Other Financial Information: Schedule of Net Cost for the Year Ended September 30, 2026
(Dollars in Millions)

	Program	LAE	Total
OASI Program			
Benefit Payment Expense	$ 1,500,880	$ 0	$ 1,500,880
Operating Expenses	703	3,603	4,306
Total Cost of OASI Program	1,501,583	3,603	1,505,186
Less: Exchange Revenues	(1)	(20)	(21)
Net Cost of OASI Program	$ 1,501,582	$ 3,583	$ 1,505,165
DI Program			
Benefit Payment Expense	$ 159,413	$ 0	$ 159,413
Operating Expenses	286	2,907	3,193
Total Cost of DI Program	159,699	2,907	162,606
Less: Exchange Revenues	(30)	(16)	(46)
Net Cost of DI Program	$ 159,669	$ 2,891	$ 162,560
SSI Program			
Benefit Payment Expense	$ 61,995	$ 0	$ 61,995
Operating Expenses	154	4,906	5,060
Total Cost of SSI Program	62,149	4,906	67,055
Less: Exchange Revenues	(257)	(28)	(285)
Net Cost of SSI Program	$ 61,892	$ 4,878	$ 66,770
Other			
Operating Expenses	$ 0	$ 3,712	$ 3,712
Less: Exchange Revenues	0	(21)	(21)
Net Cost of Other Program	$ 0	$ 3,691	$ 3,691
Total Net Cost			
Benefit Payment Expense	$ 1,722,288	$ 0	$ 1,722,288
Operating Expenses	1,143	15,128	16,271
Total Cost	1,723,431	15,128	1,738,559
Less: Exchange Revenues	(288)	(85)	(373)
Total Net Cost	$ 1,723,143	$ 15,043	$ 1,738,186

Other Financial Information: Schedule of Changes in Net Position for the Year Ended September 30, 2026
(Dollars in Millions)

	OASI	DI	SSI		Other	
	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections
Unexpended Appropriations:						
Beginning Balances	$ 0	$ 0	$ 0	$ 551	$ 0	$ 55
Appropriations Received	0	0	0	72,152	57,373	25
Other Adjustments	0	0	0	(602)	0	(28)
Appropriations Used	0	0	0	(70,777)	(57,373)	1
Net Change in Unexpended Appropriations	0	0	0	773	0	(2)
Total Unexpended Appropriations - Ending	0	0	0	1,324	0	53
Cumulative Results of Operations:						
Beginning Balances	$ 2,280,823	$ 187,555	$ 9	$ (3,774)	$ 0	$ 0
Appropriations Used	0	0	0	70,777	57,373	(1)
Non-Exchange Revenue						
Tax Revenues	1,168,063	198,218	0	0	0	0
Interest Revenues	59,023	8,777	0	0	0	0
Other	66	276	0	0	0	0
Total Non-Exchange Revenue	1,227,152	207,271	0	0	0	0
Transfers In/Out - Without Reimbursement	46,612	(1,759)	(170)	(8,508)	(57,373)	3,627
Imputed Financing Sources	0	0	0	16	0	0
Other	0	0	0	164	0	(3,626)
Net Cost of Operations	1,501,582	159,669	(168)	62,060	0	0
Net Change in Cumulative Results of Operations	(227,818)	45,843	(2)	389	0	0
Total Cumulative Results of Operations - Ending	$ 2,053,005	$ 233,398	$ 7	$ (3,385)	$ 0	$ 0
Net Position	$ 2,053,005	$ 233,398	$ 7	$ (2,061)	$ 0	$ 53

Other Financial Information: Schedule of Changes in Net Position for the Year Ended September 30, 2026 (Continued)

(Dollars in Millions)

	LAE	Consolidated	Consolidated	Consolidated
	Funds from other than Dedicated Collections	Funds from Dedicated Collections	Funds from other than Dedicated Collections	Total
Unexpended Appropriations:				
Beginning Balances	$ 6	$ 0	$ 612	$ 612
Appropriations Received	32	57,373	72,209	129,582
Other Adjustments	0	0	(630)	(630)
Appropriations Used	(31)	(57,373)	(70,807)	(128,180)
Net Change in Unexpended Appropriations	1	0	772	772
Total Unexpended Appropriations - Ending	7	0	1,384	1,384
Cumulative Results of Operations:				
Beginning Balances	$ 8,290	$ 2,468,387	$ 4,516	$ 2,472,903
Appropriations Used	31	57,373	70,807	128,180
Non-Exchange Revenue				
Tax Revenues	0	1,366,281	0	1,366,281
Interest Revenues	0	67,800	0	67,800
Other	0	342	0	342
Total Non-Exchange Revenue	0	1,434,423	0	1,434,423
Transfers In/Out Without Reimbursement	14,849	(12,690)	9,968	(2,722)
Imputed Financing Sources	851	0	867	867
Other	0	0	(3,462)	(3,462)
Net Cost of Operations	15,043	1,661,083	77,103	1,738,186
Net Change in Cumulative Results of Operations	688	(181,977)	1,077	(180,900)
Total Cumulative Results of Operations - Ending	$ 8,978	$ 2,286,410	$ 5,593	$ 2,292,003
Net Position	$ 8,985	$ 2,286,410	$ 6,977	$ 2,293,387

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THE SOCIAL SECURITY ADMINISTRATION'S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES DURING FISCAL YEAR 2026

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: November 6, 2026 **Refer to:** 042638

To: Frank Bisignano
Commissioner

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

Subject: The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2026

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Federal Inspectors General assess and summarize 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*.

We take a risk-based approach when we determine the areas of the Agency's programs, systems, and operations to focus our audit resources. The cumulative results of our oversight work inform our conclusions regarding the management and performance challenges facing the Agency.

Management and Performance Challenges

In our report on *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025*, we identified the following challenges.

- Improve Service Delivery
- Protect the Confidentiality, Integrity, and Availability of Information Systems and Data
- Modernize Information Technology and Strengthen Investment Management

- Improve the Administration of Disability Programs
- Improve the Prevention, Detection, and Recovery of Improper Payments

We have carried these challenges into our Fiscal Year 2026 report. In the attached report, 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 response to a draft of this report, SSA management provided technical and informal comments, which we incorporated into the final report as we deemed appropriate.

In Fiscal Year 2027, 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.

Attachment

The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2026

November 2026

Introduction

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Federal Inspectors General assess and summarize the most serious management and performance challenges facing Federal agencies and the agencies' progress in addressing them.

The Social Security Administration's (SSA) programs, systems, and operations are vast. Given its limited resources, the Office of the Inspector General (OIG) selects audits that address aspects of the Agency's programs, systems, and operations that, in OIG's judgment, are at higher risk. Based on the findings we identified in the audits we conducted, we identified the following major challenges facing SSA.

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

Report Overview

In this report, we include the following sections in the discussion of each challenge.

- **Why This is a Challenge.** This section defines the Challenge and provides background information.
- **What the Office of the Inspector General Found.** This section summarizes OIG's significant findings and the recommendations OIG made in recent engagements.
- **Progress the Agency Made This Fiscal Year.** SSA took action to implement several recommendations we made in reports issued in this, and prior, fiscal years (FY). This section summarizes the most significant recommendations that OIG confirmed SSA implemented this year.
- **What the Agency Still Needs to Do.** This section summarizes our most significant recommendations that SSA has not yet implemented.

Agency Comments

SSA provided technical and informal comments in response to our draft report. We incorporated SSA's technical comments into this final report as appropriate.

Improve Service Delivery

SSA can build on its telephone service gains by measuring the full caller experience and managing its telephone services for best value and performance. As it awaits the anticipated impact of technology improvements, SSA must ensure its frontline offices have adequate tools and resources to improve the customer experience and deliver accurate, timely service.

Why This is a Challenge

SSA is working to continue improving telephone service metrics and balance 800-number support with other customer service delivery goals. SSA also needs to manage the flow of field office traffic, address challenges in employees' accurate and timely processing of field office and processing center workloads, and ensure employees have adequate tools to deliver quality service to its customers.

What the Office of the Inspector General Found

Telephone Services

Millions of customers contact SSA through its national 800-number. SSA's FY 2027 Annual Performance Plan contains a framework the Agency outlined to meet its strategic goals, which includes strategies to support its telephone services. One of SSA's performance goals is to improve the customer's experience by reducing the average speed of answer, which, according to the Agency, is the average amount of time a caller waits on hold before they speak with an SSA employee. SSA considers callers who accept an initial callback offering as not waiting on hold and counts the call as having zero wait time, which reduces the average.

In a December 2025 audit of *The Social Security Administration's Telephone Metrics* (032517), we found SSA's publicly reported national 800-number telephone metrics were accurate, and its overall telephone service performance improved in FY 2025. The Agency improved performance because it used a new platform and realigned staff to support the 800-number. In July 2025, the Agency began assigning field office employees to answer national 800-number calls. This made approximately 1,000 field office employees available to support the national 800-number each day. We did not audit field office workloads or services and therefore did not determine whether field office staff assisting the national 800-number impacted field office workloads and services.

We also found, in FY 2025, about 25 million calls ended without the callers receiving service either because the callers did not complete the call or the telephone platform could not connect the callers to an employee. SSA refers to these calls as abandoned in queue or busy messages. The average wait time metrics do not include the wait times associated with abandoned calls or calls that receive a busy message. We did not make any recommendations for SSA.

In a September 2026 audit of *The Social Security Administration's Use of Amazon Web Service Connect for Telephone Services* (042512), we found SSA complied with Federal regulations when it selected the new contractor for its blanket purchase agreement for telephone services. However, SSA did not always administer or oversee the blanket purchase agreement in

accordance with Federal regulations. SSA included limited quality standards and performance incentives in its blanket purchase agreement. Although SSA generally experienced improved telephone service platform performance, we identified other areas where SSA could have identified solutions and addressed its needs more promptly if the Agency had stronger performance measures and methods to monitor performance. We made five recommendations for SSA to improve its administration and oversight of the blanket purchase agreement for telephone services. SSA agreed to implement the recommendations.

Frontline Office Services

Field office employees are largely responsible for processing Supplemental Security Income (SSI) workloads. Because SSI is a means-tested program, individuals must have income and resources below specified levels to be eligible for payments. Our audit work identified challenges in employees' accurate and timely processing of SSI workloads, which can create overpayments that recipients must repay or result in financial hardship for recipients.

In a September 2026 audit of *Supplemental Security Income Earnings Alerts* (022310), we found employees did not resolve 80 percent of sampled earnings alerts. To maintain accurate earnings information, SSA uses the earnings alert system to identify discrepancies between a recipient's reported and actual wages. Based on our sample results, we estimate SSA paid approximately 333,800 recipients about $1 billion that they would not have been eligible to receive had the Agency properly considered and fully developed their unreported earnings when it determined their SSI eligibility and associated payment amounts. We made three recommendations for SSA to review and take corrective action on errors our audit identified, identify the factors contributing to employees not diligently pursuing earnings alerts or not accurately resolving them, and implement appropriate corrective action. SSA agreed to implement the recommendations. However, SSA commented that a redetermination was not yet due when some of the alerts were generated and staff had taken corrective action on a portion of the cases.

In an August 2026 audit of *Supplemental Security Income Underpayments* (062407), we estimated that, of the 2.5 million underpayments pending as of September 2024, SSA employees did not take required actions to pay 1.1 million underpayments, totaling about $291 million, that were owed to SSI recipients. We made three recommendations to identify and resolve underpayment errors, prevent employee errors, and ensure required pre-payment reviews are documented. SSA agreed to implement the recommendations.

Processing centers face challenges in reducing workload backlogs, which were approximately 3.9 million as of September 2026, and accurately processing the complex workloads assigned, which affect service delivery. For example, in a September 2026 *Follow-up on Disabled Beneficiaries Who Are Eligible for Higher Retirement Insurance Benefits* (012320), we noted SSA has the opportunity to enhance the customer service its employees provide to disabled beneficiaries by ensuring it fully informs them of their filing options and, once elected, accurately pays the higher benefits. In doing so, SSA could help beneficiaries secure stronger financial positions in retirement. Based on our review of a random sample of disabled beneficiaries whose benefits were offset by worker's compensation or public disability benefits, we estimated SSA did not notify 8,726 beneficiaries of their option to file applications for higher retirement benefits and notified 3,659 beneficiaries but did not appropriately document their decisions not to file or reasons they did not file. We estimated these beneficiaries could have

been entitled to about $84 million in additional benefits; however, policy restrictions prevented SSA employees from taking actions to issue the payments. SSA may be able to pay about $41 million to an additional 4,785 beneficiaries because they had already filed for retirement benefits. We made four recommendations for SSA to correct records, implement a process to identify those who elected higher retirement benefits but received lower disability payments, improve controls, and clarify policies. SSA agreed to implement the recommendations.

Progress the Agency Made This Fiscal Year

Telephone Services

Increased 800-number call capacity. In our December 2025 audit of *The Social Security Administration's Telephone Metrics* (032517), we found the Agency improved telephone service performance when it began using a new telecommunications platform and realigned staff. The new platform increased call volume capacity and expanded self-service and automated options. SSA also used the new platform's capabilities to identify in real-time ways to better serve callers, target training, and improve frequently asked questions. According to SSA, in FY 2026, the Agency realigned nearly 2,600 employees from field offices, Central Processing, and headquarters to help meet callers demands on the national 800-number.

Reduced telephone service disruptions. In our September 2026 audit *The Social Security Administration's Use of Amazon Web Service Connect for Telephone Services* (042512), we reported SSA's technical expert indicated the Agency's telephone services experienced fewer outages under the new telephone service platform than the two platforms that preceded it. As of June 2026, the new platform had experienced two outages. In contrast, a prior audit reported 13 800-number telephone service disruptions under a prior platform between November 2023 and May 2024 and 10 full outages (where the entire 800-number system was down and SSA received no incoming calls) and 11 partial outages (where SSA received sporadic incoming calls) between December 2021 and October 2022.

Frontline Office Services

Improved tools and training for field-office managers. In response to our September 2025 audit *Workload Management for Field Offices* (042316), SSA released the National Workload Management (NWLM) system in February 2026, which aims to consolidate all workload management processes throughout the Agency. According to SSA, NWLM unifies and modernizes workload management across the Agency by automatically prioritizing and assigning initial claims telephone appointments to the next available employee based on enterprise-wide capacity and employee skill set. It provides management real-time visibility into total workload counts, distribution, and progress. According to SSA, the Appointment Scheduling Calendar, a web-based appointment system that customers and employees can use to schedule, modify, and cancel initial claim telephone appointments, aims to also improve performance and reduce the volume of unscheduled leads. In April 2026, SSA provided nation-wide training on the Appointment Scheduling Calendar.

Strengthened physical-security oversight at SSA offices. In response to our July 2025 audit *Physical Security at Offices* (042318), SSA updated its policy in May 2026 to reflect its Security and Resiliency staff are responsible for reviewing assessments, documenting decisions about risk acceptance, and tracking corrective actions. According to SSA, it uses its active facility list and the Modified Infrastructure Survey Tool to track assessment due dates, thus ensuring SSA inspects offices within an appropriate timeframe.

Updated policies and systems to increase the accuracy of critical payments. In response to our March 2026 *Accuracy of Critical Payments* (042403) audit, in May 2026, SSA released an administrative message with guidance on procedures to accurately process critical payments and nonreceipt. Additionally, the message outlines the requirement for two-technician authorization and review. In July 2026, SSA released screen edits and alerts to improve employees' keying accuracy. To prevent future errors, SSA informed us in October 2026 it is in the process of establishing a control, as we recommended, to ensure employees consider any overpayments on a beneficiary's Recovery of Overpayments, Accounting and Reporting record when they issue critical payments.

Added systems prompts to improve claims accuracy. In response to our January 2026 *Follow-up on Claims Denied Because Claimants Were Not Insured for Benefits* (052303) audit, SSA integrated earnings and insured status screens into the actual claims path, rather than appearing only when an employee is processing the claim. This change ensures employees review insured status during the claim process and determine whether the claimant has earned wages in the previous or current year. According to SSA, the claims system prompts employees to develop lag earnings during the interview and then transition to the insured status path, allowing employees to review any necessary documentation to determine insured status. To prevent future errors, SSA informed us in October 2026 it is in the process of establishing controls to ensure employees review prior retirement claims for claimants who may be entitled to additional benefits.

Improved controls over representative payee selection. In response to our September 2024 review of *Disabled Beneficiaries Receiving Direct Payments Who Previously Had Representative Payees* (052403), SSA updated the application process in March 2026 to require that employees specify and describe the evidence—legal, lay, or medical—used to re-evaluate a beneficiary's capability. SSA also introduced a new screen for self-payee applications to document why the beneficiary believes they are capable of handling their own benefits and supporting evidence.

Took steps to address Processing Center backlogs. In response to our June 2024 audit on *Reducing Processing Centers' Pending Actions* (022313), SSA issued annual national processing center workplans that established timeframe targets for high-priority workloads and began implementing strategies to reduce receipts through automation and business process enhancements. The FY 2026 Processing Center Work Plan established a goal to reduce pending to 4 million by the close of FY 2026. Processing centers exceeded this goal by reducing pending from over 5 million at the start of FY 2026 to approximately 3.9 million at the end of FY 2026. Additionally, SSA is in the second year of its Processing Center Process Improvement project, in which it is identifying workloads it can automate to reduce new pending workload items.

What the Agency Still Needs to Do

- Continue to implement and assess strategies in its Annual Performance Plan to ensure it can adequately support its vital telephone services for the public.
- Engage in strategic staffing and continue to improve telephone technology and self-service capabilities.
- Continue identifying and addressing the factors that contribute to backlogs and errors in field offices and processing centers, including automating workflows, establishing controls, clarifying policies, and modifying business procedures and systems.
- Ensure its frontline offices have adequate tools and resources to provide accurate and timely service.

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

SSA can advance its information security program by ensuring its information security controls are appropriately designed and operating effectively and by managing related risks in compliance with Federal requirements. These steps will help SSA protect the sensitive information it holds and keep the systems that deliver benefits secure and available.

Why This is a Challenge

Information technology (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. In FY 2026, SSA demonstrated a commitment to addressing longstanding challenges to its information security program, which resulted in notable improvements. However, cyber-threats evolve rapidly. Disruptions to the integrity or availability of SSA's information systems could impact its ability to serve the public and meet its mission. To improve customer service and ensure the confidentiality and integrity of personal and Agency data, SSA must have a robust information security program.

SSA's systems contain personally identifiable information, such as Social Security numbers (SSN). 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. SSA stores personally identifiable information (such as name, SSN, date and place of birth, and mother's maiden name) on every numberholder. This information is desirable to would-be hackers and identity thieves who can use it to distinguish or trace a numberholder's identity. If this information is not protected, identity thieves could misuse it. 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. Accurately assigning and 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.

What the Office of the Inspector General Found

Information and Cyber-security

In our September 2026 audit of *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2026* (142603), the contract auditor assessed SSA's Information Security program as "not effective" based on the FY 2026 metric results for the *Federal Information Security Modernization Act of 2014 (FISMA)* (Pub. L. No. 113-283), also known as FISMA.

The Inspector General FISMA Reporting Metrics are grouped into 10 domains that align to 6 cyber-security functions (1) Govern, (2) Identify, (3) Protect, (4) Detect, (5) Respond, and (6) Recover. Although SSA made significant progress in closing many prior-year findings and reduced security findings by 40 percent for FY 2026, the contractor reported deficiencies related to the Identify, Detect, and Recover functions that prevented the Agency's information

security program from being evaluated as effective in FY 2026. Further, although the contractor assessed SSA's Protect function as effective, it found SSA needed to improve aspects of its configuration, vulnerability, and access management programs and had not completed privacy impact assessments for two systems. Finally, although SSA had defined a cybersecurity supply chain risk management program, it had not consistently implemented related processes and controls. The contractor made five recommendations including SSA continue refining its enterprise architecture system inventory, software, hardware, data, and metadata 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.

Additionally, our September 2026 audit found SSA's *Insider Threat Program* (142302) did not fully comply with Federal and Agency requirements. Insider threat is the risk an employee or contractor could use their authorized access to Agency resources (facilities, equipment, information, systems, and computer networks) to harm national security. *Executive Order 13587* and the Office of the Director of National Intelligence's National Insider Threat Task Force standards require that agencies create a program with comprehensive policy, procedures for documenting reported threats and their resolution, and training. SSA's responsibility for safeguarding sensitive information underscores the critical need for a robust insider threat program. Given the substantial risks posed by personnel with legitimate access to SSA systems, it is essential that SSA implement comprehensive controls to monitor, detect, and prevent insider threats of all types. We made six recommendations for SSA to improve its Insider Threat Program. The Agency agreed to implement the recommendations.

Social Security Number Protection and Earnings Accuracy

Generally, SSA assigns an individual one SSN during their lifetime, but, under certain circumstances, an individual may legitimately acquire more than one SSN. When SSA assigns an individual more than one SSN, SSA should cross-refer the records. In our July 2024 audit of *Cross-referred Social Security Numbers* (062308), we found SSA issued improper payments under cross-referred SSNs and did not ensure death information input on a deceased individual's record was also input on the individual's cross-referred records. We also found SSA issued improper payments to beneficiaries whose records were erroneously cross-referred to other individual's records. SSA computed each beneficiary's payments based on the combined earnings of two different individuals and paid them more than they were entitled to receive. We recommended SSA maximize technology (for example, develop automated program that compares name, date of birth, sex designation, place of birth, parents' names) to identify all instances where two different individuals' records are cross-referred and un-cross-refer the records. Though SSA has taken actions to address other recommendations associated with this review, as of September 2026, it had not implemented this recommendation.

SSA maintains suspended earnings (earnings that do not match a 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. We have ongoing work related to growth of the Earnings Suspense File we plan to issue in FY 2027.

Progress the Agency Made This Fiscal Year

Information Security and Cyber-security

Strengthened information security and risk management. In *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2026* (142603), our FISMA contract auditor noted that, under direction from the Commissioner and senior leadership, SSA made progress and strengthened its security posture. Specifically, our contract auditor for the FISMA audit noted SSA (1) created an executive position with cyber-function as a direct report to the Commissioner; (2) closed 43 of 51 prior-year findings, with 13 superseded by FY 2026 new findings; (3) improved maturity levels for 1 function and 3 domains; (4) achieved "effective" conclusions for both the Govern and Protect functions; and (5) improved in score for 5 metrics—20 percent of assessed metrics. SSA also continued transitioning to a new risk management tool.

Improved the administration of Agency firewalls. In our August 2025 audit of SSA's *Firewall Administration* (142315), we reported SSA did not administer its firewalls in accordance with Federal standards and guidelines. In FY 2026, SSA implemented 11 of our 13 recommendations to improve its firewall administration and secure its networks and resources.

Social Security Number Protection and Earnings Accuracy

Improved its SSN verification service. 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. The 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. In response to related recommendations in an August 2024 audit, SSA improved the Service. In FY 2026, the electronic Consent Based SSN Verification Service processed approximately 104.4 million verifications.

Updated policies to improve its protection of SSN information. In November 2025, SSA updated its *Breach Response Plan* to clarify that SSA must report losses of Federal tax information to the Internal Revenue Service within 24 hours of SSA identifying a possible breach. SSA also made several enhancements and clarifications to its *Information Security Policy* in FY 2026. For example, in July 2026, SSA modified its data loss protection policy to better clarify restrictions on uploading sensitive information and expanded the policy to include Super Intelligence (SI) tools. These changes addressed a recommendation in our

September 2025 audit of *Personally Identifiable Information Loss Reporting* (042401) and should help prevent future employee errors related to reporting losses of personally identifiable information.

Implemented new processes to improve earnings accuracy and SSN assignments. As part of ongoing work in this area, SSA shared that it had implemented a new process in December 2025 to enhance fraud detection and prevention as well as improve the accuracy of the Master Earnings File by flagging suspicious wage reports for further review before they are processed. According to SSA, as of September 30, 2026, the new process prevented approximately $9.4 billion in wages from being posted to the Master Earnings File or Earnings Suspense File. The Agency allows employers to use its SSN Verification Service to verify their employees' names and SSNs before they report wages to SSA. In FY 2026, employers used the SSN Verification Service to verify SSNs over 242 million times.

Took steps to improve accuracy in assigning SSNs. SSA took the following steps to improve its accuracy in assigning SSNs.

- In response to our September 2022 review of *The Social Security Administration's Enumeration Services During the COVID-19 Pandemic* (A-15-21-51015) audit, SSA agreed to create and implement automated tools to assist employees in navigating through enumeration evidentiary document requirements. SSA's SSN Application Process is an automated enumeration tool that enforces policy evidence prioritization but relies on the employee's thorough review of evidence. SSA remains committed to evaluating technology and process improvements when the SSN Application Process undergoes the re-write process, with continued focus on ensuring strict adherence to evidentiary document requirements and supporting the integrity of its review process.
- In response to our September 2023 audit of *Processing Non-citizens' Original Social Security Numbers Electronically Through Enumeration Programs* (A-08-22-51136), SSA created a decision tree and training to ensure employees follow policy. SSA was unable to implement a quality review program as the Department of Homeland Security is the custodian of the information, but the agencies met to ensure SSA receives complete data.
- In response to our July 2024 audit of *Cross-referred Social Security Numbers* (062308) audit, SSA updated its processes so that employees can now flag SSNs as retired. This enhancement notifies benefit systems that a retired SSN should not be eligible for payment, which reduced the risk of improper payments.

What the Agency Still Needs to Do

- Address the deficiencies the contractor identified and ensure SSA is adhering to Federal guidelines to improve SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data.
- Take additional steps to strengthen its firewalls and network security.
- Continue efforts to maximize technology to strengthen SSN integrity and earnings accuracy.

Modernize Information Technology and Strengthen Investment Management

SSA can get more value from its IT spending by measuring the cost, schedule, and performance of its investments, identifying troubled projects early, ending or redirecting them through a formal process, and evaluating completed systems. Stronger investment management will help SSA direct limited resources to the modernization efforts that best support its mission.

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 SI tools, to bridge the gap to creating customer experience improvements.

What the Office of the Inspector General Found

Information Technology Modernization

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.

For example, in our September 2024 audit of *Legacy Systems Modernization and Movement to Cloud Services* (142312), 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. 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. The contract auditor also found SSA did not maintain an *Information Resources Management Strategic Plan* and review that Plan annually with the *Agency Performance Plan* as required. 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 to continuously improve its capital planning and investment control process.

The contract auditor made eight recommendations that, if implemented, could reduce the risks to the confidentiality, integrity, and availability of the Agency systems and data as well as improve its IT investment management. As of September 2026, SSA had not implemented any of the recommendations.

Investment Management

Our September 2026 audit of *Discontinued Information Technology Investments* (142402) identified several IT investment management issues. Specifically, SSA did not (1) consistently perform IT investments planning activities and return on investment analyses; (2) properly measure schedule, cost, and performance goals in accordance with Federal guidance; (3) have effective controls to identify troubled IT investments; (4) perform required investment reviews of high-risk major IT investments; (5) establish a formal process for terminating IT investments, and (6) perform required reviews for all canceled and implemented investments. Our review found that, as of March 2025, SSA had canceled 25 IT investments that incurred $81 million in costs. Of the 25 canceled IT investments, 14 incurred more than $1 million in costs. In addition, SSA put 31 IT investments on hold that incurred $141 million in costs. Of the 31 investments, 22 incurred more than $1 million in costs. We made nine recommendations to improve SSA's investment management and discontinuation processes and help SSA more effectively manage its limited IT resources. SSA agreed to implement our recommendations.

Further, in our September 2026 audit of *Post-implementation Reviews of Information Technology Investments* (142404), we found SSA conducted 45 post-implementation reviews (objective evaluations of implemented or terminated IT projects) from FYs 2021 through 2025, but it did not conduct any reviews after November 2024 even though it completed IT projects that were eligible for review. Further, SSA did not comply with Federal and SSA requirements for the reviews it conducted. All staff responsible for conducting the reviews retired or were reassigned in FY 2025 and did not have time to transfer their knowledge or expertise to new staff. SSA stopped conducting reviews because it did not have a process in place to ensure the process continued after a major personnel disruption. In January 2026, subject-matter experts informed us they were developing a new review program. Without a robust post-implementation review process, SSA risks diminished transparency and missed opportunities for operational efficiency. We made four recommendations to address the findings with which SSA agreed.

Additionally, in our June 2026 audit of *The Social Security Administration's Use of Microsoft 365 Licenses* (062417), we found SSA generally procured the software licenses reviewed in accordance with its operational needs. However, SSA left approximately 13 percent of the licenses unused in March 2025 because of significant and unanticipated staffing attrition. In April 2025, we met with SSA's Office of the Chief Information Officer (CIO) and other SSA personnel to inform them the Agency maintained licenses above its operational needs and allow it to take corrective action before it exercised the final year (FY 2026) of its license agreement. As a result, SSA contacted the vendor and reduced its FY 2026 license purchase to align with its operational needs. SSA personnel stated SSA's next license agreement, beginning in FY 2027, will include the same provision to allow it to reduce licenses if staffing levels decline by more than 10 percent because of reorganization or consolidation. Based on the planned action, we did not make a recommendation.

Progress the Agency Made This Fiscal Year

Information Technology Modernization

Rolled out new and enhanced technologies. In response to recommendations related to modernization made in the September 2024 audit of *Legacy Systems Modernization and Movement to Cloud Services* (142312), SSA outlined the transformative technology investments it had underway.

- SSA was developing a claims intake and processing application with a new user interface, modernized processing logic, and updated databases. In FY 2026, SSA released enhancements to modernize its SSI claims system and improve technician accuracy. For example, SSA added functionality to its SSI claims system to allow employees to document their actions to develop for information from recipients, which helps ensure policy compliance. SSA also added a link to the Policy Assistant Tool (a generative SI-powered chatbot that provides policy-compliant information to SSA employees in plain language) in its SSI claims system.
- The Agency rolled out its Universal Benefits Application, which enables users to apply for additional types of benefits online. SSA also enhanced its customer-centric technician application to improve staff's ability to serve the public and built a Straight Through Processing tool that can adjudicate certain claims and route other claims to staff for further development.

Developed a framework to align IT with Agency goals. Additionally, SSA has developed an approved Target Enterprise Architecture. It is the framework for planning, resourcing, organizing, and prioritizing activities aimed at aligning business objectives with IT. The target architecture serves as a blueprint for enterprise architects, solution architects, and business leaders to follow to achieve long term business goals.

Investment Management

Released new tools to improve monitoring of IT investments. To address recommendations in our September 2026 audit of *Discontinued Information Technology Investments* (142402), SSA leadership implemented a real-time dashboard to manage its IT investments and efficiently monitor progress of strategic projects. According to SSA, the dashboard provides insights on the progress, risk, cost, and value of the agency's IT projects. The dashboard consolidates key performance indicators, risks, milestones, and financial metrics into a single platform. SSA intends for the new tool to improve the Agency's oversight and management of IT spending.

What the Agency Still 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.

- Improve IT investment management and discontinuation processes to meet Federal requirements and help the Agency more effectively manage its limited IT resources.
- Strengthen its post-implementation review process, including mitigating the loss of institutional knowledge due to staffing changes.

Improve the Administration of Disability Programs

SSA can improve the timeliness and accuracy of its processing of disability-related workloads and build on efforts to strengthen collaboration and workload partnerships with state disability determination services (DDS). By advancing these areas, SSA can improve program integrity and better serve the public.

Why This is a Challenge

Disability claimants rely on SSA to process initial disability claims and appeals quickly and accurately because favorable disability decisions may provide claimants with vital income support and access to essential healthcare. SSA is working to reduce processing times for disability determinations. Meanwhile, disability claimants continue waiting significant periods of time for determinations and decisions. Also, state DDSs continue facing challenges for hiring and retaining staff, which contributes to long processing times for claimants' disability claims.

What the Office of the Inspector General Found

Disability Claims Processing

In two September 2026 audits, we found SSA could improve the accuracy of initial disability claims processing for children. In our review of *Child's Insurance Benefit Claims Denied for Disability* (052505), we found SSA did not correctly deny, pay, and/or document decisions for 51 of 100 sampled claims. Based on our sample, we estimate SSA incorrectly denied about 600 claims; SSA employees did not document whether they completed all required actions when they requested required forms or evidence from the claimants for about 450 claims; and, after SSA approved the claims, we estimate employees did not correctly pay about 1,100 claimants, resulting in underpayments of approximately $1.2 million. Without improvements, SSA will likely continue incorrectly denying claims and incorrectly determining benefit payments if the SSA subsequently approves the claim and, consequently, under- or overpays them. We made two recommendations to correct payments for affected claimants and improve the accuracy of initial denials and subsequent benefit determinations. SSA agreed to implement the recommendations.

In our review of *Childhood Disability Benefits* (052610), we reported SSA could improve its accuracy in establishing entitlement dates for beneficiaries entitled to childhood disability benefits. Based on our sample review, we estimated SSA incorrectly established entitlement dates for 50,194 beneficiaries. Of these, we estimate SSA underpaid 22,942 beneficiaries approximately $165 million. When SSA employees do not accurately establish entitlement dates for beneficiaries entitled to childhood disability benefits, SSA may cause beneficiaries financial hardship by not paying benefits to which they are entitled and possibly delaying their entitlement to Medicare benefits. We recommended that SSA correct identified errors, identify factors contributing to employees' failure to follow policies and procedures, and implement system enhancements to improve case processing. SSA agreed to implement the recommendations.

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.

In our July 2025 review of *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), we identified inconsistent hiring authority that resulted in DDS' inability to replace staff who separated. We also noted SSA attributed the loss of key technical staff to (1) outdated classification for disability examiners and (2) increased job complexity. Despite SSA and DDS management's efforts, DDSs struggled with achieving staffing levels needed to prevent reduced productivity and increased processing times, which ultimately delayed claimants' disability determinations and any benefits to which they were entitled. According to SSA, in FY 2026 (as of September 2026), it lost 8.5 percent of its DDS employees, including 10.4 percent of disability examiners. Specifically, the Agency reported it lost 609 disability examiners and only added 331. For example, the prior Chicago Region (now part of the larger Midwest-West Region) lost 98 examiners but only replaced 16 in FY 2026. We made five recommendations related to improving staffing, productivity, and processing times at state DDSs. SSA agreed to implement our recommendations.

Progress the Agency Made This Fiscal Year

Disability Claims Processing

Increased efforts to access medical records faster. In March 2025, SSA announced a renewed emphasis on expanding opportunities for organizations to join SSA's Health Information Technology (Health IT) program. Health IT allows SSA to obtain medical records directly from the provider, which results in faster disability determinations. Since SSA obtains up-to-date information directly from a person's sources of care, Health IT can reduce the need for costly consultative examinations. SSA has used Health IT to obtain medical records for decades, but the portion of information obtained through the process has stalled over the years. The renewed campaign included partnering with the Department of Health and Human Services, expanding marketing and outreach to healthcare organizations, and leveraging automation to improve the onboarding process, and supporting participation in the Trusted Exchange Framework and Common Agreement, which creates a nationwide "network of networks" that enables the secure exchange of electronic health information across healthcare organizations and networks. By expanding access to electronic health records, SSA aims to obtain medical evidence more quickly and efficiently, helping to reduce disability claim processing times and improve service to the public. These efforts align with a recommendation in our January 2022 report on *The Social Security Administration's Expansion of Health Information Technology to Obtain and Analyze Medical Records for Disability Claims* (A-01-18-50342) for SSA to intensify efforts to increase its number of Health IT partners.

Disability Determination Services' Operations

Increased collaboration to support DDS staffing and recruitment. In 2022, SSA formed a recruitment and retention workgroup that comprised DDS employees from each region and SSA subject-matter experts. The workgroup collaborated with state DDS administrators nationwide to implement recruitment and retention strategies, including increasing competitiveness of DDS pay, streamlining training, and reducing the time it took to onboard new hires. In response to our July 2025 review of *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), SSA did the following.

- Resumed the workgroup and held its first planning discussion in January 2026. The workgroup plans to review state attrition data, consult DDS administrators to understand key recruitment and retention factors, and identify strategies to reduce attrition.
- Shifted from a siloed model to collect DDS staffing information to a national network approach to DDS staffing that maximizes return on investment by investing human capital resources in productive DDSs with low attrition rates and maximizing state to state production assistance to promote balanced processing times nationally.
- Reported it established procedures with DDSs to track all staff losses and identify the most critical hiring replacement needs throughout the year based on a variety of factors, including budget, position type lost, attrition levels, staff size, state claims volume, and state-specific processes. As of February 2026, DDSs were providing SSA weekly updates on expected staff losses and hires. In addition, SSA submitted critical hire requests prioritized based on such data metrics as average processing time, staffing levels, and attrition rates.

Deployed SI tools to assist in disability determinations. To address a recommendation from *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), SSA is using such SI tools as the Vocational Assessment Assistant Tool and Intelligent Medical Language Analysis Generation. The Vocational Assessment Assistant Tool assists DDS examiners by streamlining vocational analysis. SSA designed the Tool to improve efficiency in vocational development while supporting compliance with Agency medical-vocational guidelines. *Intelligent Medical Language Analysis Generation* is an enhanced document viewer and analysis application that converts evidence in real time into machine-readable text and enables advanced search capabilities and intelligent analysis of medical records. According to SSA, this enables a broad set of features designed to improve the efficiency and accuracy of the disability determination process, including evidence-based alerts, identification of medical impairments and relevant supporting passages, detecting of listing-level evidence, and enhanced search capabilities.

Ensuring Individuals' Continued Eligibility for Benefits

Continued work on new disability review application. In alignment with our recommendations from a September 2022 audit of *Work Review Determinations for Disabled Beneficiaries* (A-07-21-51012), SSA is developing the Electronic Work Continuing Disability Review application to replace and modernize the system technicians currently use to process continuing disability reviews (CDR) based on work activity. According to SSA, the application

will enforce policy and best practices to eliminate existing system limitations that lead to significant improper payments because of delays and processing errors. According to SSA, in FY 2026, it developed application capabilities that would allow technicians to receive beneficiaries' reports of work, document and evaluate pay stubs, and mail forms and notices. The Agency expects to release the automation to technicians in FY 2027.

What the Agency Still Needs to Do

- Identify additional process improvements that will decrease processing times for initial disability claims.
- Decrease the number of pending reconsiderations and hearings.
- Work with DDSs to address staffing challenges related to attrition, hiring, and onboarding.
- Evaluate its use of automation to ensure it is improving DDS operations as intended.

Improve the Prevention, Detection, and Recovery of Improper Payments

SSA can expand timely and automated access to information that affects eligibility and payment amounts; address the root causes of improper payments, including reducing reliance on manual processing; and more effectively recover overpayments and rectify underpayments when they occur. By advancing these efforts, SSA can strengthen program integrity and enhance its service to the public.

Why This is a Challenge

SSA issued approximately $1.7 trillion in benefit payments in FY 2026. Even the slightest error in the overall payment process can result in millions of dollars in improper payments. Improper payments are 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 2025, it made almost $16 billion in improper payments in FY 2025—approximately $11.5 billion in overpayments and $4.5 billion in underpayments.

What the Office of the Inspector General Found

Causes of Improper Payments

Depending on the type of benefit received, Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries must report such events as return to work, earnings over the exempt amount, entitlement or changes to workers compensation benefits, marriage, and the end of full-time school attendance. 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. Failure to report this information can affect beneficiaries' and recipients' eligibility or payment amount and may also include a penalty deduction.

In its *Fiscal Year 2026 Enterprise Risk Management Risk Profile,* SSA noted its reliance on individuals' self-reporting of changes affecting benefits as a challenge to payment integrity, and planned, in part, to use data more effectively to reduce reliance on self-reporting. For example, SSA uses data exchanges with external parties as an alternative to self-reporting. SSA's Numident verification systems electronically compare information the Agency receives via data exchanges with SSA records. SSA uses some of the verified information to prevent such improper payments as payments to deceased or incarcerated beneficiaries. However, our August 2026 report on *Numident Verification Systems* (042405) found enhanced criteria in SSA's Numident verification systems could have verified matches for all 30 judgmentally selected reports. If SSA increased matches by even 1 percent of the transactions it reported its systems could not verify during our audit time frame, it would see millions of additional matches each year. These additional matches could prevent improper payments, inaccurate records, and additional manual work for SSA employees. We recommended SSA establish processes for components to collaborate on matching criteria and enhance criteria to increase verified matches where appropriate. SSA agreed to implement our recommendations.

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. Examples follow.

Our March 2026 review of the *Accuracy of Critical Payments* (042403) found SSA employees improperly paid beneficiaries approximately $78,000 because they incorrectly processed 20 (11 percent) of the 175 critical payments in our sample (funds issued to OASDI beneficiaries when SSA did not pay regular monthly benefits, owed additional benefits, or a beneficiary reported they did not receive a monthly payment). We could not determine why employees made these errors. However, based on our discussions with SSA subject-matter experts and review of related policies and procedures, we believe SSA's policy and procedures did not contain clear guidance to help employees ensure they considered all required actions when they processed critical payments. These errors could be minimized if SSA improves controls over employees' manual entries in the Critical Payment System. Based on our sample results, we estimate SSA improperly paid about 8,100 beneficiaries approximately $12 million. We made seven recommendations for SSA to take appropriate actions on errors our audit identified and establish controls and update policy and procedures to prevent future errors. SSA agreed to implement our recommendations.

Our June 2026 review of *Retroactive Benefits Paid to Child Beneficiaries* (052406) found SSA employees properly paid retroactive benefits to 104 (69 percent) of the 150 beneficiaries in our sample and improperly paid retroactive benefits to the remaining 46 (31 percent). SSA improperly under- or overpaid about 195,260 beneficiaries a total of approximately $760 million because its employees improperly determined beneficiaries' retroactive benefit amount or benefit periods. In addition, improper determinations may have caused delays in the child beneficiaries' entitlements to Medicare benefits, which may have resulted in their families incurring medical expenses that should have been covered by the child's Medicare benefits. We recommended SSA pay any retroactive benefits to the beneficiaries as appropriate and identify the factors that contribute to employee errors and implement appropriate corrective actions. SSA agreed to implement our recommendations.

Our September 2026 report on *Supplemental Security Income Earnings Alerts* (022310) found SSA employees did not resolve earnings alerts for 80 of 100 recipients who had at least 1 earnings alert pending as of September 2024. Based on our sample results, we estimate SSA paid about 333,800 recipients approximately $1 billion they would not have been eligible to receive had the employees properly considered and fully developed their unreported earnings. Agency employees did not complete, or incorrectly completed, earnings reviews and eligibility determinations, which led SSA to issue these payments. We made three recommendations for SSA to review and take corrective action on errors our audit identified, identify the factors contributing to employees not diligently pursuing earnings alerts or not accurately resolving them, and implement appropriate corrective action. SSA agreed to implement our recommendations.

Our September 2026 review of *Payments to Student Beneficiaries* (022515) found SSA correctly paid benefits to 71 of 100 student beneficiaries in accordance with policy. However, SSA did not correctly pay benefits to 17 beneficiaries and did not retain documentation to support benefit payments to 12 beneficiaries. Based on our sample results, we estimate SSA improperly paid approximately $211 million student benefits to about 89,000 beneficiaries. In some instances, errors occurred because beneficiaries and school officials did not provide SSA accurate or current school attendance information that affected eligibility for student benefits, and SSA was unaware the information contained errors. In other instances, SSA employees did not correctly use available school attendance and graduation information to determine the duration of student benefit eligibility. In addition, we estimate SSA made approximately $342 million in unsupported payments to about 63,000 student beneficiaries. For these beneficiaries, SSA employees did not retain completed forms as required. Without evidence, we could not determine whether the individuals were entitled to the student benefits SSA paid them. We made three recommendations for SSA to address errors identified during our audit.
These recommendations focus on improving how SSA handles changes in students' school attendance or graduation dates, ensures student benefits end at the appropriate time, and maintains completed student benefit forms in its records. SSA agreed to implement our recommendations.

Recovering Overpayments and Rectifying Underpayments

Preventing improper payments is advantageous to the Agency since SSA must expend additional resources to recover the overpayments or process additional actions to rectify underpayments. Moreover, when beneficiaries are over or underpaid, the Agency may not be able to fully recover the funds or release the underpayment to the appropriate party. SSA has the authority to terminate or suspend collection actions when it cannot collect any substantial amount or the cost of collection is likely to be more than the amount it will recover.

Our May 2026 report *Follow-up on Cost-benefit Analysis of Processing Low-dollar Overpayments* (072403) found SSA took actions on 50 (20 percent) of the 250 low-dollar OASDI overpayments we reviewed. Since SSA could not provide its average cost to send an overpayment notice, we applied the average cost to collect overpayments as reported in the Cost Analysis System during our audit period, and we did not consider it to have been cost-beneficial to attempt to recover these 50 overpayments. We estimated SSA spent $14,492 to attempt to recover the 50 overpayments, which totaled $8,129. We estimated SSA spent $4.6 million to recover almost 16,000 low-dollar OASDI overpayments totaling approximately $2.6 million. Therefore, we estimated SSA spent about $2 million more than it would recover. We made four recommendations for SSA to ensure consistency in its methods for calculating the average costs to process overpayments, take appropriate actions for low-dollar overpayments we identified, and update policy to specify the criteria the Agency or its employees shall use to determine when the cost of collection is not cost-beneficial. SSA agreed to implement our recommendations.

Our June 2026 report on *Department of the Treasury Reclamations* (062409) found SSA used the Department of the Treasury reclamation process for 95 of the 100 deceased beneficiaries we sampled. SSA generally sends automated reclamation requests for Treasury to reclaim payments the Agency incorrectly issued after a beneficiary's death. However, SSA did not submit

reclamation requests to Treasury for the remaining five beneficiaries. As a result, the Agency did not recover the $49,922 it paid after the beneficiaries died. For three of the five beneficiaries, SSA's system generated alerts that instructed personnel to submit reclamation requests; however, for reasons we could not determine, employees closed the alerts without taking the required actions to submit those requests to Treasury. For the remaining two beneficiaries, for reasons we could not determine, SSA's system did not generate alerts that required that personnel submit reclamation requests to Treasury.

Based on our sample results, we estimate SSA used Treasury's reclamation process to recover payments it issued to about 112,493 deceased beneficiaries but did not initiate reclamations for payments it issued to 5,921 beneficiaries. Given that SSA used Treasury's reclamation process 95 percent of the time, we did not make a formal recommendation for corrective action. However, we advised SSA management to consider whether to improve its controls to ensure that, in the future, the Agency consistently reclaims funds it paid after beneficiaries' deaths.

Our August 2026 report on *Recovery Efforts for Deceased Beneficiaries' Overpayments* (032406) found SSA employees followed policy for recovering overpayments made to OASDI beneficiaries who subsequently died with outstanding overpayment balances for 66 (53 percent) of 125 sampled beneficiaries. However, employees did not follow SSA's policies for recovering overpayments made to 59 (47 percent) beneficiaries who subsequently died. Based on our sample results, we estimate SSA could attempt to recover outstanding overpayments totaling approximately $106 million that 8,486 deceased beneficiaries owed. SSA could potentially increase overpayment recoveries by pursuing available recovery options, including those involving contingently liable individuals, lump-sum death payments, and recovery from deceased beneficiaries' estates. We made two recommendations for SSA to recover overpayments for deceased beneficiaries in our review and implement controls to ensure employees follow policy to attempt to recover deceased beneficiaries' overpayments. SSA agreed to implement our recommendations.

Our August 2026 report on *Supplemental Security Income Underpayments* (062407) found SSA did not always take necessary actions to rectify SSI underpayments that may have affected the beneficiary's financial well-being. Based on our sample results, we estimate SSA employees did not take required actions to ensure the Agency (1) paid recipients 1.1 million underpayments, totaling $291 million, they were owed and (2) properly processed approximately 288,000 underpayments totaling $863 million. We could not determine why employees did not follow policies and procedures to resolve and issue the underpayments where appropriate. However, SSA subject-matter experts stated the Agency's limited system notifications make it challenging to track underpayments that fall outside the standard automated installment process. We made three recommendations to identify and resolve underpayment errors, prevent employee errors, and ensure required pre-payment reviews are documented. SSA agreed to implement the recommendations.

Progress the Agency Made This Fiscal Year

Causes of Improper Payments

Implemented changes to reduce improper payments and improve the SSI program. Our July 2026 audit of *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025* (152601) 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) report an improper payment and unknown payment estimate of less than 10 percent. SSA implemented changes in FY 2026 to reduce improper payments and improve the integrity of the SSI program. Examples follow.

- In September 2025, SSA created an SSI Improvement Team to improve SSI processing efficiency, reduce improper payments, accelerate automation, and help SSI recipients comply with program requirements. For example, the Team updated and clarified policy intended to improve efficiency and reduce burdens for both employees and recipients.
- Beginning January 2026, SSA expanded requirements for employees to use its Foreign Travel Data application when they complete SSI redeterminations for U.S. citizens in certain situations. Employees must also use the Foreign Travel Data application in SSI initial claims when they develop for SSI payments for non-citizens in all cases and for U.S. citizens in certain situations. This change is in line with an OIG recommendation noted in *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025* (152601) that the Agency improve its controls to prevent overpayments resulting from unreported absences from the United States by using travel data provided to SSA by the Department of Homeland Security instead of relying on SSI recipients to self-report absences from the United States.
- In May 2026, SSA expanded the requirement to use the Access to Financial Institutions tool (an automated process that verifies bank account balances and searches for undisclosed accounts) to all SSI allowances, including initial claim reopenings, and appeal reversals establishing initial eligibility. Access to Financial Institutions verification is now required for all initial SSI claims regardless of the applicant's alleged resources or financial institution ownership. This change addressed one of our September 2024 recommendations in our report on *Supplemental Security Income Recipients who Under-report Financial Account Balances* (A-02-21-51028) and should reduce SSI payment errors and improper payments related to financial account balances and undisclosed accounts.
- SSA completed the implementation of the Payroll Information Exchange (PIE) in September 2025. Therefore, FY 2026 is the first year SSA experienced PIE's effect for an entire FY. PIE automates wage and employment data collection for SSI recipients and Disability Insurance beneficiaries. According to SSA, PIE accelerated the identification of, and prevented wage-related overpayments to, SSI recipients. However, SSA had not yet evaluated the impact PIE had on OASDI payments. SSA's implementation of PIE addressed one of our recommendations in our July 2024 review of *Challenges in Recovering Supplemental Security Income Overpayments* (A-07-21-51018).

Took steps to improve the accuracy of payments to child and student beneficiaries. In response to our June 2026 review *Retroactive Benefits Paid to Child Beneficiaries* (052406), SSA updated and simplified its policies to decrease employee errors when establishing benefit periods. By reducing employee errors related to children's benefit periods, SSA could reduce improper payments made on behalf of the children and may prevent delays to the children's entitlement to Medicare benefits. In October 2026, SSA advised us that it corrected the identified errors, issued policy reminders, and highlighted the current refresher training opportunities to employees to address the recommendations in our September 2026 report on *Payments to Student Beneficiaries* (022515).

Reduced improper payments to deceased beneficiaries. In August 2026, SSA introduced enhancements to its Death Information Processing System that refined existing criteria and processes. The enhancements enable the Death Information Processing System to automatically record valid death information while preventing recording erroneous death information in SSA databases. This change addressed one of the recommendations in our March 2025 review of the *Rejection of State Death Reports* (042304) and should improve the accuracy and timeliness of SSA's death records and reduce improper payments to deceased beneficiaries.

Recovering Overpayments and Rectifying Underpayments

Transferred recovery of overpayments to Treasury's Centralized Receivables Service. To address, in part, challenges related to recovery of overpayments SSA began a strategic partnership with Treasury's Centralized Receivables Service in March 2026. Centralized Receivables Service is a shared service that helps Federal agency programs manage non-tax, non-delinquent debts. In FY 2026, SSA transferred approximately 2,800 delinquent debts to Centralized Receivables Service.

Updated policy to limit collection efforts when recovering overpayments is not cost-effective. In September 2026, SSA updated its policy and revised its methods for calculating the average cost to process SSI overpayments to address recommendations in our *Follow-up on Cost-benefit Analysis of Processing Low-dollar Overpayments* (072403). The updated overpayment collection policy instructs employees to terminate collection actions when the cost of further collection is likely to exceed the amount the Agency can recover. SSA established separate thresholds for termination of collection of Retirement and Survivors Insurance, Disability Insurance, and SSI overpayments. The policy also indicates the Agency will review and update the cost-effectiveness of collection actions annually based on the most recent cost assessment. In addition, SSA created a new method to count SSI overpayments which is comparable to the method SSA uses to count OASDI overpayments.

What the Agency Still 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 simplifying and clarifying policy and procedures to decrease employee and beneficiary errors.
- Continue addressing the root causes of improper payments to prevent their occurrence.

Developing Issues

Staffing

According to SSA, as of September 30, 2026 the Agency employed 48,530 full-time permanent staff. This represented a decrease of approximately 2,300 employees compared to September 30, 2025. For FY 2026, about 6.1 percent of SSA's workforce left the Agency through attrition. SSA's attrition rate for FY 2026 was approximately 4.8 percent lower than the rate for FY 2025. The attrition rate includes involuntary separations, retirements, resignations, and transfers. However, SSA's FY 2026 attrition rate excludes individuals who participated in the deferred resignation program. SSA estimated its FY 2026 attrition rate would be about 7.5 percent if it included individuals who participated in the deferred resignation program in the calculation.

In prior audits, we found attrition could affect the Agency's ability to effectively serve the public. For example, in our March 2025 audit of *The Social Security Administration's International Workloads at Processing Center 8* (012305), from FYs 2021 to 2022, pending cases in all processing centers increased because of a combination of challenges, including an increase in receipts, lower overtime in FY 2022 compared to previous years, and higher than normal attrition rates. We also noted in our June 2024 audit of *Reducing Processing Centers' Pending Actions* (022313), SSA experienced its lowest staffing levels in 25 years. According to SSA, it had over 650 fewer employees working on processing center workloads than in FY 2016, while the beneficiary count rose from roughly 64 million people to nearly 72 million (19 percent) in that same period. Further, the processing centers experienced staffing challenges with separation rates for Benefits Authorizers at 40.4 percent in FY 2022 and 29.6 percent in FY 2023.

In our September 2025 audit of *Staffing Public-facing Offices* (022327), we noted in FY 2024, SSA's formula for allocating personnel across regional offices incorporated key workload indicators, such as the volume of claims processed, number of beneficiaries and recipients served, and frequency of contacts. Although SSA has a process for allocating staff to public-facing offices, this process focuses on broad staffing distributions rather than determining the optimal number of staff at each individual location. As such, it may not account for the unique service demands of individual offices, which could result in staffing levels that do not fully reflect the specific needs of each location.

Organizational Restructuring

Since January 2025, SSA's organizational structure and staffing plans have undergone significant changes. In February 2025, SSA announced it was implementing an Agency-wide restructuring initiative to streamline operations and reduce workforce levels. Key changes included reducing the number of regional offices (which provide technical assistance to public-facing offices) from 10 to 4 and realigning office functions and reporting structures. We did not audit the restructuring initiative's impact.

In March 2026, SSA announced it would transition the medical CDR processing workload from state DDSs to its Federal processing site called Disability Case Review. To determine whether

beneficiaries continue to be eligible for benefits, SSA periodically conducts CDRs to evaluate any changes in medical condition or work activity. According to SSA, processing CDRs internally will improve service and decrease improper payments because state DDSs can focus on adjudicating initial disability claims and reconsiderations. We have not audited the impact of the transition on CDR or claims processing.

Workforce Skill Sets

In December 2025, the Agency updated its staffing plan and included a comprehensive, multi-pronged strategy to address its skill gaps. This included the following.

- Conducting targeted recruitment for high-need occupations; using direct-hire authority, where applicable; and leveraging the Pathways Program to recruit student interns and recent graduates for key positions.
- Expanding upskilling and re-skilling programs, enhancing mentorship initiatives, and offering leadership-development courses to strengthen workforce capabilities.
- Increasing opportunities for rotational assignments and cross-training to build institutional knowledge and broaden employees' skill sets.

SSA identified several critical skill gaps within the Agency, specifically in the areas of data analytics, IT/cyber-security, customer service, and leadership development. From April 2024 to May 2026, SSA experienced about a 31-percent reduction in its IT workforce. According to SSA's 2026 developer skill assessment survey, SSA identified 839 gaps (employees or contractors) for 39 skill areas. These gaps indicate the Agency's workforce challenges extend beyond replacing departing employees and ensuring it has the specialized knowledge to support its operations. For example, in our August 2026 audit of *Numident Verification Systems* (042405), subject-matter experts indicated gaps in computer programming skills have hindered the Agency's ability to implement advanced analytics programs that could improve the administration of SSA programs.

To address attrition and skill gaps, SSA received approval to externally hire 1,877 full-time permanent employees. As of September 30, 2026, SSA had onboarded 1,687 employees and planned to fill the remaining vacancies. The Agency prioritized hiring for public-facing offices, employees to conduct continuing disability and quality reviews, software engineers in its CIO, and staff to perform back-end functions that support field office operations. For the IT workforce, as of September 30, 2026, SSA's CIO noted the Agency had hired 231 full-time staff and planned to continue to balance recruitment and seek out contractors for the needed skill sets.

Although SSA anticipates its technology improvements may increase efficiency and reduce future staffing needs, the Agency does not have a plan to hire 3 to 5 years into the future. SSA expects technology advancements during that period may alter its hiring forecasts. While technology may ultimately reduce workforce demand, SSA must ensure it adequately plans and periodically reassesses workforce needs while it awaits the impact of anticipated improvements on workloads.

Super Intelligence

SI, previously known as Artificial Intelligence, is pivotal technology that can benefit nearly every Federal agency. In April 2025, the Office of Management and Budget directed agencies to prioritize the use of SI that is safe, secure, and resilient. The guidance required that SSA develop a strategy for removing barriers to the use of SI; develop a generative SI policy; implement the minimum risk management practices for high-impact uses of SI; and annually and publicly release an SI use case inventory. Since then, SSA has implemented policy and procedures for SI and expanded its SI use to improve efficiency, accuracy, and manage risk. However, using SI carries the potential for harm and must be monitored for adverse impacts. For example, staff must be aware of SI's limitations and validate SI output. In addition, individuals could use SI to exploit the Agency's vulnerabilities.

SSA has deployed many use cases to implement SI for various purposes, including increased productivity, program integrity, and security. For example, the Agency released its Agency Support Companion and Policy Assistance Tool, SI assistants designed to help employees with business-related tasks and inquiries. Further, SSA has SI tools for disability decision support and identification of high-risk claims. The Agency also plans to use SI to help the public apply for benefits, understand the Agency's programs, and answer their questions. As SSA seeks to expand its SI capabilities, it has committed to ensuring strong guardrails are in place.

We recognize emerging and evolving risks in this area and have ongoing and planned work related to SI.

OTHER REPORTING REQUIREMENTS

Payment Integrity

Beginning in fiscal year (FY) 2026, all Executive Branch agencies must provide in their Agency Financial Report (AFR): (i) the Executive Summary of their payment integrity activities and results provided to the Office of Management and Budget (OMB) in the Data Call; (ii) a discussion of the agency's use of Do Not Pay, including an evaluation of whether it reduced improper payments or awards, provided to OMB in the Data Call; and (iii) a list of agency reports available on PaymentAccuracy.gov.[1]

Executive Summary

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. Preserve and Protect Public Resources is one of our three agency strategic goals.

Our program integrity functions 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 functions help ensure eligible individuals timely receive 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, from our stewardship reviews of the nonmedical aspects of OASDI and SSI programs. We conduct medical continuing disability reviews (CDR) to determine whether disability beneficiaries meet the programs' 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.

We report as improper those payments that resulted from:

- Errors in computing the payment;
- Failure to obtain or act on available information affecting the payment;
- A beneficiary/recipient/representative payee's failure to report an event; or

[1] For detailed information on improper payments by program and cause, please refer to the link for each program on paymentaccuracy.gov.

- A beneficiary/recipient/representative payee's incorrect report.

The *Payment Integrity Information Act of 2019* (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. 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.

We have five programs in Phase 1: Administrative Payments; Social Security Research and Demonstration; Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries; Strengthening Protections for Social Security Beneficiaries; and Work Incentives Planning and Assistance Program. During FY 2026, we conducted improper payment risk assessments for two Phase 1 programs: Social Security Research and Demonstration and Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries and will conduct improper payment risk assessments for these programs again in FY 2029. During FY 2025, we conducted improper payment risk assessments for the following Phase 1 programs: Administrative Payments, Strengthening Protections for Social Security Beneficiaries, and Work Incentives Planning and Assistance Program and will conduct improper payment risk assessments for these programs again in FY 2028. These assessments considered a number of financial statement audits; the size, stability, and complexity of our processes; the historically low error rates; extensive controls inherent in our programs; and the current internal control structure we have in place to prevent, detect, and recover improper grant payments. Our assessments of improper payment risk determined that these programs are not susceptible to significant improper payments and therefore remain in Phase 1.

In alignment with programs listed in the Federal Program Inventory, our OASI, DI, and SSI programs are in Phase 2 and High-Priority programs. We are unable to report OASI improper payments separately by retirement and survivors as we do not sample them independently.

Overview

We are committed to ensuring we issue accurate payments to eligible individuals at the right time. Based on our FY 2025 stewardship reviews (FY 2026 data will be available in the summer of FY 2027), we estimate that we paid about: $1.4 trillion to OASI beneficiaries, $149.7 billion to DI beneficiaries, and $65.7 billion to SSI recipients.

Our stewardship reviews indicate that: 99.88 percent of OASI benefit payments were free of overpayments and 99.79 percent were free of underpayments; 98.14 percent of DI benefit payments were free of overpayments and 99.87 percent were free of underpayments; and 89.43 percent of all SSI payments were free of overpayments and 97.93 percent were free of underpayments.

Our improper payments (combined overpayments and underpayments) totaled approximately: $4.7 billion for OASI, $3.0 billion for DI, and $8.3 billion for SSI.

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

The most recent Office of the Inspector General (OIG) PIIA annual compliance audit was for FY 2025. In FY 2025, we had three programs reporting estimates above the statutory threshold, our OASI, DI, and SSI programs. In the FY 2025 compliance audit, the Social Security Administration's (SSA) OIG concluded the agency was compliant with all 10 reporting requirements for the OASI and DI programs. OIG determined that for the SSI program, the agency 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.

In the FY 2025 PIIA compliance audit report, OIG encouraged SSA to implement open recommendations from prior audits, which included (1) conducting a study to expand Access to Financial Institutions searches between the SSI initial application and subsequent eligibility redeterminations; and (2) completing the Foreign Travel Data exchange project.

We are committed to bringing the SSI program into full compliance with the PIIA and improving our SSI improper payment rates by the end of FY 2027.

OASI Improper Payments

OASI Improper Payment Experience

Based on our FY 2025 stewardship reviews (FY 2026 data will be available in the summer of FY 2027), we estimate that we paid approximately $1.4 trillion to OASI beneficiaries. Of that total, we estimate about $1.7 billion were overpayments, representing approximately 0.12 percent of outlays. We estimate that underpayments during this same period were $3.0 billion, the equivalent of approximately 0.21 percent of outlays.

In the prior year reporting, based on our FY 2024 stewardship reviews, we estimate that we paid approximately $1.3 trillion to OASI beneficiaries. Of that total, we estimate about $1.1 billion were overpayments, representing approximately 0.09 percent of outlays. We estimate that underpayments during this same period were $470.2 million, the equivalent of approximately 0.04 percent of outlays.

When comparing prior year reporting to this year's reporting, there has been an increase in estimated overpayments ($1.1 billion to $1.7 billion) and an increase in estimated underpayments ($470.2 million to $3.0 billion) in the OASI program. In regards to the increase in OASI estimated underpayments, the FY 2025 OASI statistically valid sample included a case, with a large case weight, which accounted for 75 percent of the OASI underpayment projection. As part of the agency's continuous effort to enhance our processes and methodologies, we intend to refine our methodology in the near future.

In FY 2025, approximately $1.6 billion in overpayments were administrative errors within the agency's control. Approximately $100 million in overpayments were outside the agency's control, meaning they were caused by recipients or their payees.

OASI Improper Payment Causes and Corrective Actions

Our stewardship findings over the last 5 years show the major causes of improper payments in the OASI program are errors in computations, relationship and dependency, and earning history. These improper payments occur due to beneficiaries' failure to report changes that may affect benefits, or our failure to update records in a timely manner.

Next, we discuss corrective actions for OASI improper payments.

Computations

Computation errors account for an annual average of $392.0 million in OASI overpayments and $970.0 million in OASI underpayments over the last 5 years. 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) and Government Pension Offset (GPO) computations also resulted in improper payments.

- **Windfall Elimination Provision and Government Offset Pension Repeal:** WEP applied when the wage earner receives Social Security retirement or disability benefits to beneficiaries 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. 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 was the last month 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.
- **Computations Tools:** In FY 2026, we developed multiple computational tools to assist technicians with improving accuracy. In January 2026, we released a Payment Preview tool for Processing Center (PC) users. The tool assists in previewing manual inputs prior to processing. In July 2026, we released the Family Portrait tool, which retrieves various data points, summarizes entitlements by beneficiary or by record, alerts technicians of other records that beneficiaries are entitled on, and shows Primary Insurance Amount (PIA) data on each record. By providing a comprehensive overview, the tool helps prevent missed combined family maximums, as well as family maximums not being applied or terminated correctly. The tool also integrates with Parisi Rule worksheets, which minimizes manual inputs and reduces potential errors.
- **Policy Reminder:** When a number holder (NH) dies prior to attaining age 62 and the widow(er) becomes first eligible in 1985 or later, we must consider an alternative

widow(er) insurance benefit computation known as Windex. This method allows the widow(er) to benefit from the higher indexing factors that occur after the NH's death. In June 2026, we released reminders to field office technicians on identifying when a Windex PIA applies and properly applying the Windex PIA to compute widow(er) insurance benefits.

- **Robotic Processing Automation:** We create automated "robotic" programs that perform routine or repetitive tasks and increase the speed and accuracy of manual processing. Bots are available to PC technicians to assist with processing manual awards or post-entitlement actions. In FY 2026, we developed three new bots with two impacting both OASI and DI. First, the Death Reclamation bot, released in July 2026, processes reclamations received from Treasury for OASDI benefit payments in the termination month due to death. Second, when we are notified of a bankruptcy, an automatic stay of collection is triggered. We plan to release the bankruptcy bot in early FY 2027 to stop overpayment collection immediately. The third bot is specific to DI only and is described in the DI section below. We are committed to making long-term investments in robotics technology to improve business processes and eliminate manual actions.

Relationship and Dependency

Relationship and dependency errors account for an annual average of $1.1 billion in OASI overpayments over the last 5 years. Marital status and child relationship 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.

To address the lack of self-reporting of marital and dependency changes impacting benefit payments, we are airing relationship and dependency reminders on televisions in field office reception areas. Since 2022, we have onboarded 21 states with centralized marriage data to the automated self-service Social Security number (SSN) replacement card. We hold monthly meetings with the contractor to discuss mitigation strategies aimed at reducing data mismatches received from these states. In FY 2027, we will work with the contractor to solicit additional states with centralized marriage data to onboard. Once the scope of the Consolidated Claims Experience development transitions from initial claims to post entitlement, we will explore the feasibility of creating an alert relating to development of marriage when an online replacement card name change is processed.

In June 2026, we made various updates to our policy on child relationship and dependency, including an update to the evidence requirements for developing illegitimacy. We also added a chart of State laws to our policy to assist technicians in determining State requirements for certain paternity situations.

Earnings History

Earnings history errors account for an annual average of $137.0 million in OASI overpayments and $131.6 million in OASI underpayments over the last 5 years. We compute benefits up to 35 years of the worker's average indexed monthly earnings. The agency applies a formula to

this average to compute the PIA. The PIA is the basis for the benefits paid to the beneficiary. Inaccurate information can cause errors in calculating benefits.

In May 2026, the agency established the Employer Reporting Specialist Unit to strengthen oversight of earnings records and annual wage reporting. This unit enhances the accuracy of wage data, supports large-scale Master Earnings File cleanup efforts, improves system integrity, and helps reduce improper payments while protecting the Trust Fund. In addition, the Business Services' reconciliation process ensures that claimant earnings are posted to the Master Beneficiary Record accurately and on time. Missing earnings can prevent individuals from receiving benefits they are entitled to, while incorrect postings can result in improper payments.

We transformed our employer wage reporting process to deliver a modernized, efficient, and secure wage reporting ecosystem that benefits employers, workers, agency technicians, and partner agencies such as the Internal Revenue Service. As part of this effort, we expanded access to our modernized W-2 and W-2 Correction (W2C) Online application to all employers, in response to the Taxpayer First Act and the influx of small, paper filers now required to report electronically. We have upgraded our systems to detect errors earlier in the wage reporting process and provide clear explanations of errors to employers, allowing for prompt and easy resolution. Real-time edits and results help reduce erroneous data and improve the accuracy of wage reports processed and posted to the Master Earnings File. Employers can easily submit and review wage report information through user-friendly, accessible online tools, and have the ability to remove wage reports they did not submit, correct employer-level errors, and delete duplicate submissions. Planned enhancements, including employer electronic notifications and a status dashboard, will further improve communication, reduce customer service calls, and strengthen fraud detection. These efforts will ensure annual earnings information is accurately established, recorded, and maintained for timely consumption and downstream use, while reducing agency resources required to correct earnings records and payments to individuals affected by fraudulent wage reports. Ultimately, these improvements will support program integrity, minimize improper payments, and deliver operational efficiencies across SSA and its partners.

DI Improper Payments

DI Improper Payment Experience

We paid approximately $149.7 billion to DI beneficiaries. Of that total, we estimate about $2.8 billion were overpayments, representing approximately 1.86 percent of outlays. We estimate that underpayments during this same period were $198.3 million, the equivalent of approximately 0.13 percent of outlays.

In the prior year reporting, based on our FY 2024 stewardship reviews, we estimate that we paid approximately $143.4 billion to DI beneficiaries. Of that total, we estimate about $1.8 billion were overpayments, representing approximately 1.28 percent of outlays. We estimate that underpayments during this same period were $505.3 million, the equivalent of approximately 0.35 percent of outlays.

When comparing prior year reporting to this year's reporting, there has been an increase in estimated overpayments ($1.8 billion to $2.8 billion) and a decrease in estimated underpayments ($505.3 million to $198.3 million) in the DI program.

In FY 2025, approximately $1.5 billion in overpayments were administrative errors within the agency's control. Approximately $1.3 billion in overpayments were outside the agency's control, meaning they were caused by recipients or their payees.

DI Improper Payment Causes and Corrective Actions

Our stewardship findings over the last 5 years show the major causes of improper payments in the DI program are substantial gainful activity (SGA), computations, and errors in workers' compensation (WC) and public disability benefits (PDB). These improper payments occur due to beneficiaries' failure to report changes that may affect benefits, or our failure to update records in a timely manner.

Next, we discuss corrective actions for DI improper payments.

SGA

SGA is continuously a leading cause of overpayments in the DI program, accounting for an annual average of $1.2 billion in DI improper payments over the last 5 years. When disability beneficiaries work, several factors determine whether they remain eligible for monthly benefits.

- **Payroll Information Exchange:** 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 and have participating employers. We plan to implement several key enhancements to PIE, including the ability to request historical wage data and a process for handling SSNs flagged for name mismatch. Additionally, we will develop more robust management information to enable more detailed analysis and guide further improvements to address pain points.

  PIE will help improve payment accuracy and reduce the reporting burden on individuals when they authorize us to obtain this information through an information exchange, and we receive it. Implementation of PIE will result in more efficient use of our administrative resources because our technicians will spend less time manually requesting this information from SSA authorized wage verification companies 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.

- **Wage 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 wages electronically. Our myWageReport (myWR) allows DI beneficiaries, SSI recipients, concurrent beneficiaries, and representative payees to report wages and view, print, or save a receipt. In FY 2026, we continued 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. We also

aired information on wage reporting reminders on televisions in field office reception areas and will continue to do so in FY 2027.

- **Electronic Work CDR:** We are developing the Electronic Work CDR (eWCDR) application to replace and modernize eWork, the system technicians currently 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 have a positive impact in reducing SGA improper payments. In November 2026, we will eliminate a systems limitation by creating a bridge between the eWCDR backend program and legacy eWork application. Technicians will still process work CDRs through eWork, but we will release the backend processing that will resolve improper payments based on processing limitations. In December 2026, we will release the eWCDR application to users and retire eWork.
- **Work Smart:** 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 beneficiary starts work. In FY 2026, WorkSmart continued to alert cases for work CDRs based on available data. In addition, WorkSmart utilizes PIE data to identify and alert cases that may require a work CDR. These actions will continue into FY 2027.
- **Simplify Forms:** We implemented a change to allow employment data from the Detailed Earnings Query and the National Database of New Hires to propagate to form SSA-821, Work Activity Report, saving technicians an average of 4 minutes per form. Additionally, to improve understanding and reduce the burden on our customers, we revised the SSA-820 Self-Employment Work Activity Report. We updated the form to clarify why we are asking for information and how work incentives may reduce countable income and impact eligibility for benefits. The SSA-821 systems update and the revised SSA-820 publication occurred in February 2026.

Computations

Computation errors have accounted for an annual average of $152.4 million in DI overpayments and $90.0 million in DI underpayments over the last 5 years.

When the disability maximum payment and the PIA are equal, any auxiliaries on the record will have a zero monthly benefit amount (technical entitlement only). In April 2026, we added a systems alert to identify when this situation exists to remind technicians to review all beneficiary identification codes on the record. Additionally, as part of our robotics efforts, we released a “no offset” bot in June 2026. The bot processes the release of past-due DI benefits when no SSI offset is present.

Refer to the Computations information under OASI for additional agency corrective actions relating to computation tools and robotics. These efforts also apply to the DI program.

WC/PDB

WC and PDB errors have accounted for an annual average of $26.3 million in DI overpayments and $139.7 million in DI underpayments over the last 5 years. States administer these programs

and provide widely different coverage based on state-specific rules. Because of these complexities, this function is particularly error-prone.

- **Streamlined Policy:** In April 2026, we streamlined the policy for verification of WC/PDB proof in the PCs. We updated the timeframe of acceptable WC/PDB proof of periodic payments, specifically that WC/PDB proof/evidence is considered current if it is no more than one year old. We are requiring technicians to obtain proof of WC/PDB payments concurrently from all appropriate sources after attempting contact with the NH. We also updated the policy on control measures, such as establishing diaries, to avoid delays in the development of WC/PDB proof.
- **Federal Employee Compensation Act:** The *Federal Employee Compensation Act* (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related injury or occupational disease and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. FECA is administered by the Department of Labor (DOL), and receipt of FECA benefits can offset DI 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 continue to explore data exchange opportunities that would improve efficiency and accuracy of related computations by eliminating the need for a manual query and transition to a batch process. We will establish a Computer Matching Agreement enabling DOL and SSA in FY 2027 to automate systems for record comparison, thereby reducing SSA's reliance on self-reporting.

SSI Improper Payments

SSI Improper Payment Experience

We paid approximately $65.7 billion to SSI recipients. Of that total, we estimate approximately $7.0 billion were overpayments, representing approximately 10.57 percent of outlays. We estimate that underpayments during this same period were $1.4 billion, the equivalent of approximately 2.07 percent of outlays.

In the prior year reporting, based on our FY 2024 stewardship reviews, we estimate that we paid approximately $63.3 billion to SSI recipients. Of that total, we estimate about $6.3 billion were overpayments, representing approximately 10.03 percent of outlays. We estimate that underpayments during this same period were $982.4 million, the equivalent of approximately 1.55 percent of outlays.

When comparing prior year reporting to this year's reporting, there has been an increase in estimated overpayments ($6.3 billion to $7.0 billion) and an increase in estimated underpayments ($982.4 million to $1.4 billion) in the SSI program.

In FY 2025, approximately $6.5 billion in overpayments were outside the agency's control, meaning they were caused by recipients or their payees. Approximately $441.1 million in overpayments were administrative errors within the agency's control.

SSI Improper Payment Causes and Corrective Actions

Our stewardship review findings over the last 5 years show the leading causes of improper payments in the SSI program are changes in financial accounts, wages, and in-kind support and maintenance (ISM). Recipient or representative payee failure to report changes is the primary cause of both SSI overpayments and underpayments.

SSI Improvement Team: In September 2025, the Commissioner established a new SSI Improvement team to ensure comprehensive and dedicated oversight of the SSI program and to transform the service we provide to SSI recipients. Since its inception, the team has revised and clarified a number of SSI policies, prioritized work that will drive down improper payments, and improved the program's digital footprint.

Redeterminations/Limited Issues: To ensure recipients remain eligible and receive the correct SSI payment amount, we conduct non-medical redeterminations (RZ). RZs are a complete review of a recipient's or couple's non-medical eligibility factors (resources, income, and living arrangements). To ensure the most cost-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 our modeling process based on selected case characteristics, such as manual deeming of income. The RZ process also selects limited issue (LI) reviews, which are reviews of a specific issue or event related to a recipient's or couple's non-medical SSI eligibility factors to determine whether the recipient or couple is still eligible for and receiving the correct SSI payment. In FY 2026, we processed over 2.6 million RZs and LIs, and in FY 2027, we plan to process 2.9 million RZs and LIs. We issued guidance to assist with prioritizing and achieving the FY 2026 LI and RZ goals, respectively. We also placed greater emphasis on completing priority LIs to ensure we are maximizing impact on improper payments.

Next, we discuss corrective actions to address top SSI improper payment deficiencies.

Financial Accounts

The leading cause of SSI improper payments is financial accounts that exceed the countable resource limits, accounting for an annual average of $2.2 billion in SSI overpayments over the last 5 years. When a recipient or deemor has financial accounts with values exceeding the allowable resource limits, these accounts may result in periods of SSI ineligibility.

- **Access to Financial Institutions:** We use the Access to Financial Institutions (AFI) tool, with an individual's consent, to identify and verify bank account information and detect undisclosed bank account balances in up to 10 nearby banks based on the residential address. AFI has been used for SSI initial claims, pre-effectuation review contacts, and RZs, and when there is a resource-related diary present on an RZ or LI. In August 2025, we implemented a zero-dollar AFI tolerance for SSI aged 65+ initial claim allowances before adjudicating to payment. In May 2026, we expanded this change to all SSI initial claim allowances, including initial claim reopenings, and appeal reversals establishing initial eligibility. This strategy mandates that bank account verification is fully completed prior to adjudication and before payments are issued, thereby eliminating improper payments as early as possible rather than pursuing recovery after we issue

payments. In September 2026, we implemented a new systems alert to ensure we are conducting AFI reviews, as required by policy, in association with five SSI resource-related diaries. We created the AFI Resource Center and added it to the National Workload Resource Center to support technicians in efficiently processing AFI. The AFI Resource Center contains pertinent policy references, systems instructions, user guides, and training resources. It also contains a Financial Institution Average Response Time report and instructions on expediting claims processing when there are slow response times from financial institutions. In FY 2027, we plan to implement a new LI diary that will identify cases from a batch run that have been flagged for potential ineligibility.

- **ABLE Accounts:** An Achieving a Better Life Experience (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 who was disabled before age 26. Effective January 1, 2026, eligibility for ABLE accounts expanded to include individuals with a disability that began before age 46. In December 2025, we issued a reminder to technicians and updated our policy instructions to reflect the new disability onset age and other annual changes.
- **Reporting Responsibilities:** To encourage reporting of financial account information and influence understanding of ABLE accounts, in FY 2026, we aired educational content specific to these topics on televisions in field office reception areas. We also inform recipients and representative payees about their reporting responsibilities through various methods: during interviews, on applications and RZ forms, in some award and post-eligibility notices, and in a booklet that accompanies award notices. In December 2025, we released a reminder to field office technicians of the procedures for informing individuals of their reporting responsibilities before and after taking a deferred or full SSI initial claim. Our annual Cost of Living Adjustment notices also include reminders about reporting changes that could affect payments and eligibility.

Wages

For more than a decade, wage discrepancies have been one of the leading causes of SSI improper payments, accounting for an annual average of $1.3 billion in SSI overpayments and $255.8 million in SSI underpayments 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 in a timely manner.

For corrective actions for SSI improper payments, please see the prior discussion of PIE. For individuals not participating in PIE, we continue to offer multiple reporting options such as the myWR online tool, SSA Mobile Wage Reporting and 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.

ISM

ISM has been the leading cause of SSI underpayments ($325.6 million) and one of the leading causes of SSI overpayments ($320.2 million) over the last 5 years. The law requires us to evaluate an individual's income, which includes support and maintenance provided in-kind (or

ISM). This type of income is difficult to accurately value because it can fluctuate each month as household expenses, composition, and the type of assistance provided may change. Failure to report or delays in reporting relevant changes are the primary causes of overpayments and underpayments related to ISM, as the agency must solely rely on these reporting changes.

In FY 2025, we implemented three updates related to ISM. These changes included: (1) omitting the value of food from our ISM calculations (which, in part, eliminated the requirement to provide detailed information about the value of food ISM provided to an SSI applicant or recipient); (2) expanding the definition of a "public assistance household" by adding Supplemental Nutrition Assistance Program 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.

In FY 2025, we transitioned field office phone systems to the same telephone platform used by the teleservice centers. By using the same telephone platform, we are able to route reports of SSI recipient address and living arrangement changes directly to a field office representative. 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. In June 2026, we further refined this business process by routing these calls to field office employees who are specialized in developing the SSI living arrangement and ISM changes. We also added language to our policy to clarify the instructions for determining ISM in non-institutional care situations and issued ISM and living arrangement reminders to technicians.

Absence from the United States

SSI recipients are generally ineligible for payments once they are absent from the United States for 30 consecutive days. In May 2019, to reduce reliance on self-reporting, we entered into a data exchange agreement with the Department of Homeland Security (DHS) to obtain foreign travel data (FTD). Effective January 2026, we expanded the use of FTD to U.S. citizens during RZs and initial claims allowances, prior to the issuance of SSI payments, in certain situations. The expansion also applies to non-U.S. citizens during initial claims allowances, prior to the issuance of SSI payments, in all cases. In FY 2026, we engaged with DHS's Customs and Border Protection to discuss expanding the use of the Arrival and Departure Information System to include a batch process. We plan to implement the automation of bulk requests in FY 2027.

While absence from the United States is not a leading cause of improper payments in the SSI program, as part of the FY 2024 and FY 2025 PIIA reports, OIG recommended we complete the FTD exchange project to maximize its use.

Do Not Pay

In FY 2026, we worked with the Department of the Treasury (Treasury) to begin utilizing several products under Treasury's Do Not Pay (DNP) system. We use the DNP Portal web search feature on an ad hoc basis to conduct entity searches of vendors and beneficiaries, review match results and alerts, and perform research to support payment integrity and eligibility reviews. We also instituted a technical connection to the DNP Connect service to send weekly files with active beneficiary information to be matched against DNP data stores. We analyze returns/matches so that verified information can be used to update beneficiary records to strengthen payment integrity. This includes making appropriate updates to beneficiary records prior to payment files being created. We also implemented Payment Verification screening through DNP, resulting in our agency currently screening all of our payments on a daily basis. Returns are being sent back to us for payments that have conclusive matches to the Death Master File and meet the business rules that we have agreed to with DNP in order to maximize payment integrity. For FY 2026, 944.5 million payments were screened (this number includes daily and monthly benefits, administrative payments, and fee payments) totaling $1.5 trillion. Of the screened payments, 1.5 thousand were returned, totaling about $2.7 million in prevented improper payments.

We also use the Account Verification Service (AVS) under DNP. We built an Application Programming Interface (API) to call AVS with SSN and banking information. The API is called by most systems at the point of bank information submission on a daily basis.

Reports Available on PaymentAccuracy.gov

The reports listed below are available for the agency and can be accessed by navigating from the Resources page on PaymentAccuracy.gov to the Congressional Reports page and then selecting the relevant report from the dropdown list for the relevant agency and fiscal year.

i. The Annual Risk Assessment Report required under 31 U.S.C. § 3352(a)(3)(C);

ii. The Agency Annual High-Priority Program Report required under 31 U.S.C. § 3352(b)(2)(A)-(D);

iii. The Annual Improper Payment Estimation Report required as accompanying materials under 31 U.S.C. § 3352(c) incorporated by reference in the SSA AFR;

iv. The Annual Report on Actions to Reduce Improper Payments required as accompanying materials under 31 U.S.C. § 3352(d) incorporated by reference in the SSA AFR;

v. The Agency Compliance Plan required under 31 U.S.C. § 3353(b)(1); and

vi. The Agency Noncompliance Report required under 31 U.S.C. § 3353(b)(5).

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

We are committed to improving financial management by preventing fraudulent and improper payments (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 2022 through FY 2026.

Quality Assurance Reviews

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Percent of State DDS decisions to allow or continue not returned to the DDS offices for correction	97.21%	97.51%	97.38%	97.41%	96.87%
Number of cases reviewed	32,065	31,013	28,434	35,076	40,251
Number of cases returned to the DDS offices due to error or inadequate documentation	896	771	744	909	1,259

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 2022 through FY 2026.

DI Pre-Effectuation Reviews

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Percent of State DDS decisions to allow or continue not returned to the DDS offices for correction	95.66%	95.78%	95.64%	95.56%	95.03%
Number of cases reviewed	292,039	278,520	269,286	246,318	252,245
Number of cases returned to the DDS offices due to error or inadequate documentation	12,689	11,752	11,736	10,927	12,538

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 2022 through FY 2026.

SSI Pre-Effectuation Reviews

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Percent of State DDS decisions to allow not returned to the DDS offices for correction	96.27%	96.74%	96.76%	96.66%	96.52%
Number of cases reviewed	99,606	101,528	93,930	84,352	81,333
Number of cases returned to the DDS offices due to error or inadequate documentation	3,719	3,314	3,046	2,820	2,834

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 tables show the number of quality reviews of CDRs completed and CDR accuracy rates for FY 2022 through FY 2026.

CDRs

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Number of quality reviews of CDRs completed	20,675	22,313	16,250	22,603	24,841

CDR Accuracy

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Overall accuracy	96.6%	96.8%	97.0%	97.2%	96.9%
Continuance accuracy	98.1%	98.3%	98.2%	98.3%	98.1%
Cessation accuracy	91.0%	92.1%	92.6%	93.6%	92.3%

OASDI and SSI Stewardship Reviews

Stewardship reviews assess the accuracy of benefit payments. The following tables show the OASDI and SSI accuracy rates for FY 2022 through FY 2025. Data for FY 2026 are not yet available. We will report FY 2026 data in our FY 2027 AFR. See the Payment Integrity section of this report or PaymentAccuracy.gov for additional information on the accuracy of benefit payments.

OASDI Accuracy[1]

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Overpayment accuracy	Data not yet available	99.71%	99.79%	99.76%	99.49%
Underpayment accuracy	Data not yet available	99.80%	99.93%	99.94%	99.86%

SSI Accuracy[1]

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Overpayment accuracy	Data not yet available	89.43%	89.97%	90.82%	91.98%
Underpayment accuracy	Data not yet available	97.93%	98.45%	98.56%	98.82%

Note:

1. There may be slight variances in the percentages reported on PaymentAccuracy.gov due to rounding of source data. We derive percentages from unrounded source data.

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 2022 through FY 2026.

SSI Redeterminations
(In Millions)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Number of redeterminations completed	2.60	2.48	2.55	2.52	2.20

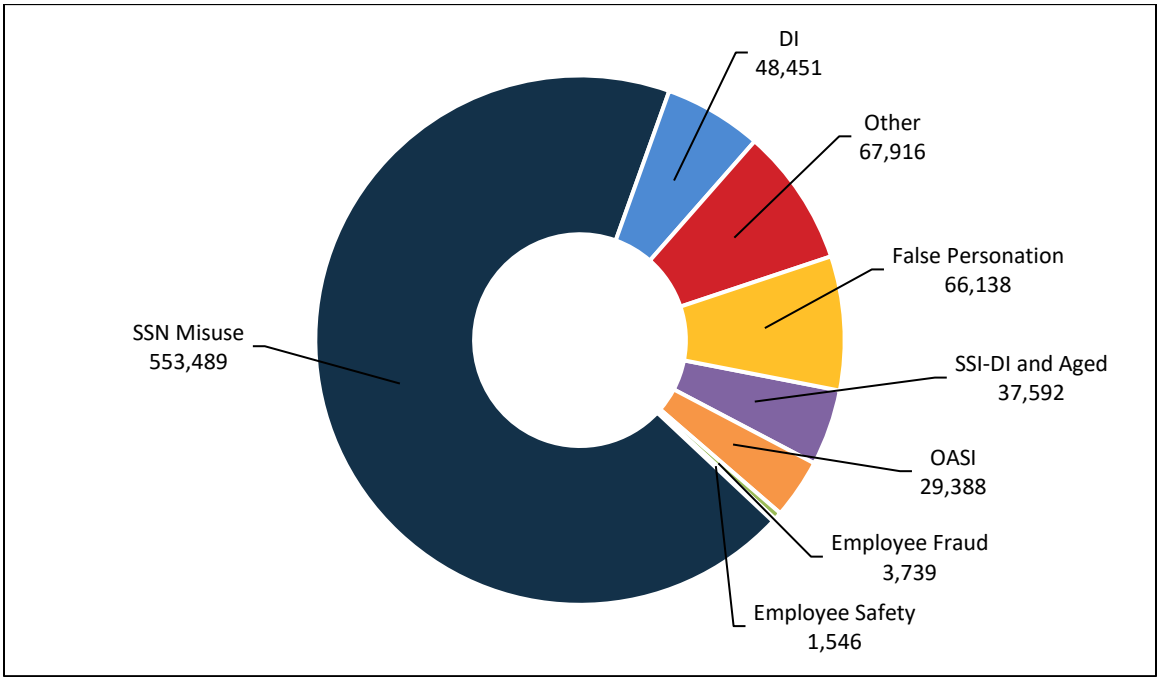
The Office of the Inspector General's Anti-Fraud Activities

In FY 2026, we worked with our OIG, the U.S. Department of Justice (DOJ), 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 2026, as in prior years, OIG received a significant number of imposter scam allegations.

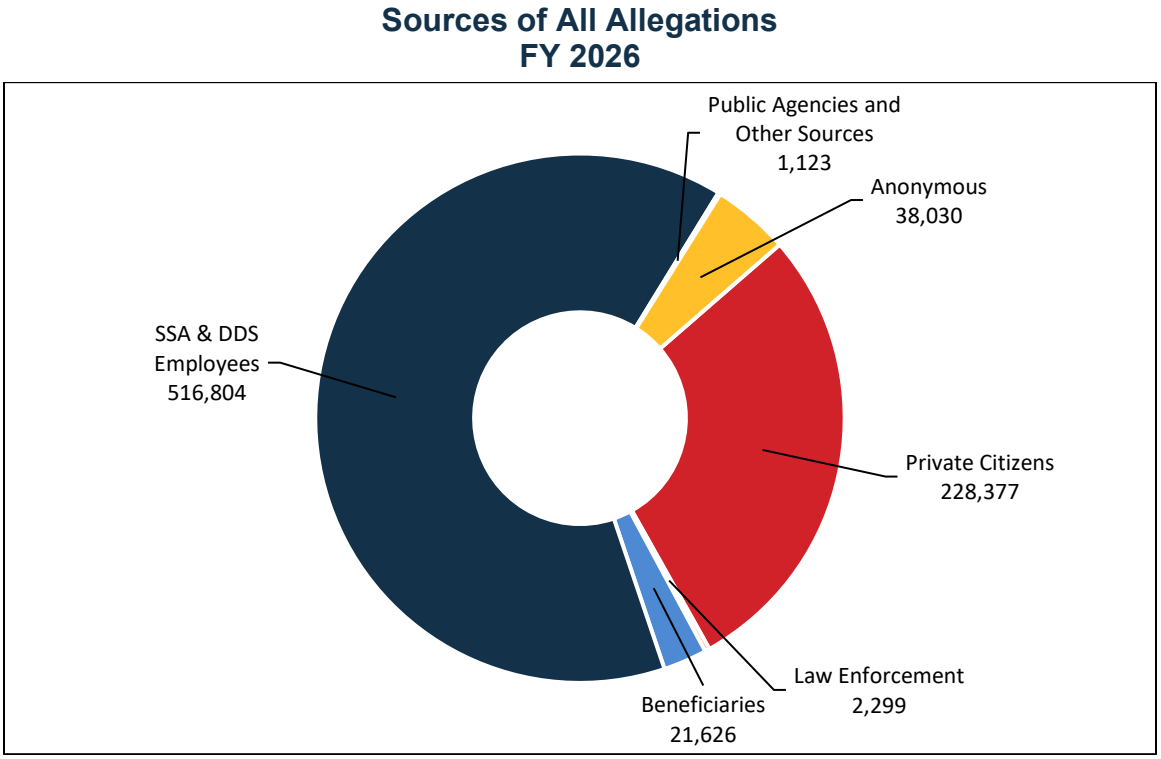
In FY 2026, OIG received a significant number of SSN misuse allegations related to the Presidential Memorandum: *Preventing Illegal Aliens from Obtaining Social Security Act Benefits*. The Memorandum directs the Commissioner of Social Security to refer promptly to the Inspector General of SSA *all* earnings reports for persons age 100 or older when the purported wage-earner's name does not match SSA's files. Of the 553,489 total SSN misuse allegations, 485,951 were related to this Presidential Memorandum.

The following chart provides information from our OIG concerning fraud and other allegations by category in FY 2026. 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.

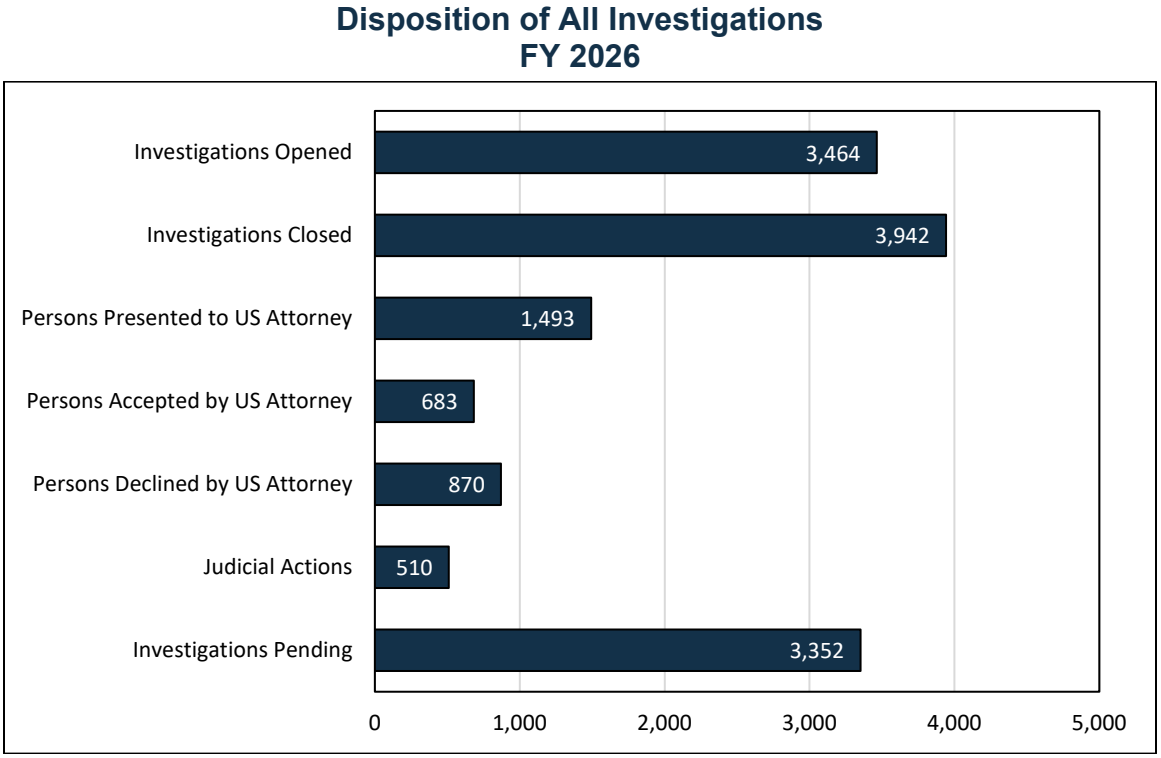
Total Allegations by Category
FY 2026



The following chart provides information from our OIG concerning sources of all fraud and other allegations in FY 2026.



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.



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[1]
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)

Note:

1. See Federal Register Notice, *Notice on Penalty Inflation Adjustments for Civil Monetary Penalties* (91 FR 33284) – SSA will continue to apply the 2025 penalty levels throughout calendar year 2026 until January 14, 2027.

Biennial Review of User Fee Charges

Summary of Fees

In both FY 2026 and 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 both FY 2026 and FY 2025. During FY 2026, we charged a fee of $15.63 per payment for the cost of administering State supplemental SSI payments. This fee will increase to $16.18 per payment for FY 2027. 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 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 $15.63 to $16.18 for FY 2027 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 2027. The latest Federal Register Notice, with more information on the CBSV user fee is 2023-17146 (88 FR 54389).
- **Electronic Consent Based Social Security Number Verification:** The eCBSV program allows permitted entities, with the number holder's consent, to submit the number holder's SSN, name, and date of birth for verification in connection with a credit transaction or other circumstance described in Section 604 of the *Fair Credit Reporting Act.* This information is submitted to the agency through an application programming interface. During FY 2026, we analyzed the eCBSV fee structure and other relevant

information, including customer requests, ongoing operating costs, previously unrecovered costs, and current fee pricing. Based on this analysis, we determined that maintaining the existing tiered user-fee pricing structure would support program objectives. Maintaining the current fees is intended to encourage additional transaction volume while supporting the program's collection and breakeven goals.

We continued to experience decreases in ongoing operating expenses compared with prior years, which supported our ability to maintain current fee levels. Although unrecovered costs remain, we expect that maintaining the current fees will help increase transaction volume and support the program's long-term viability. We remain on track to breakeven in FY 2027.

For information on unrecovered costs, refer to Note 6, Accounts Receivable, Net, in the *Audited Financial Statements and Additional Information* section.

Throughout FY 2026, we engaged with eCBSV customers regarding the program. We will continue to evaluate operating costs, fee revenue, and customer feedback as we prepare to analyze the user-fee pricing structure in FY 2027. The most recent Federal Register Notice regarding the eCBSV user fee is 2025-05905 (90 FR 15030).

- **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 2026, we set the maximum dollar limit at $123 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 2025-22534 (90 FR 57516).
- **Uniform Standard Fees for Non-Programmatic Workloads:** Every two years, we evaluate and publish standard fees for non-programmatic workloads. During the current fiscal year, we evaluated the time required to perform these workloads, as well as the associated direct and overhead cost rates. Based on this evaluation, we updated the fees to reflect current costs and market values. The next review of these fees will occur in FY 2028. Additional information is available in the Federal Register notice, *Charging Standard Administrative Fees for Non-Program Information*, 2026-19250 (91 FR 59832).

Beyond the fees described above, we did not identify any additional new fees during the current fiscal year.

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 four active grant programs and two expired grant programs that are monitored by two 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

Debt Collection and Management

Debt Collection

We have a robust debt collection program to recover overpayments, which helps ensure eligible individuals receive the benefits to which they are entitled, and 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 $7.865 billion as of September 30, 2026. In FY 2026, we recovered $6.390 billion using both our internal and external collection tools. The following tables provide a description of each of our internal and external debt collection techniques, and a summary of the results.

Internal Collections

We utilize internal collection tools to recover payments of delinquent debt for individuals currently receiving payments. In FY 2026 we recovered $5.817 billion using our internal collection tools, which accounted for 91.0 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 overpaid individuals to repay debts.

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

Internal Collections
FY 2026
(Dollars in Billions)

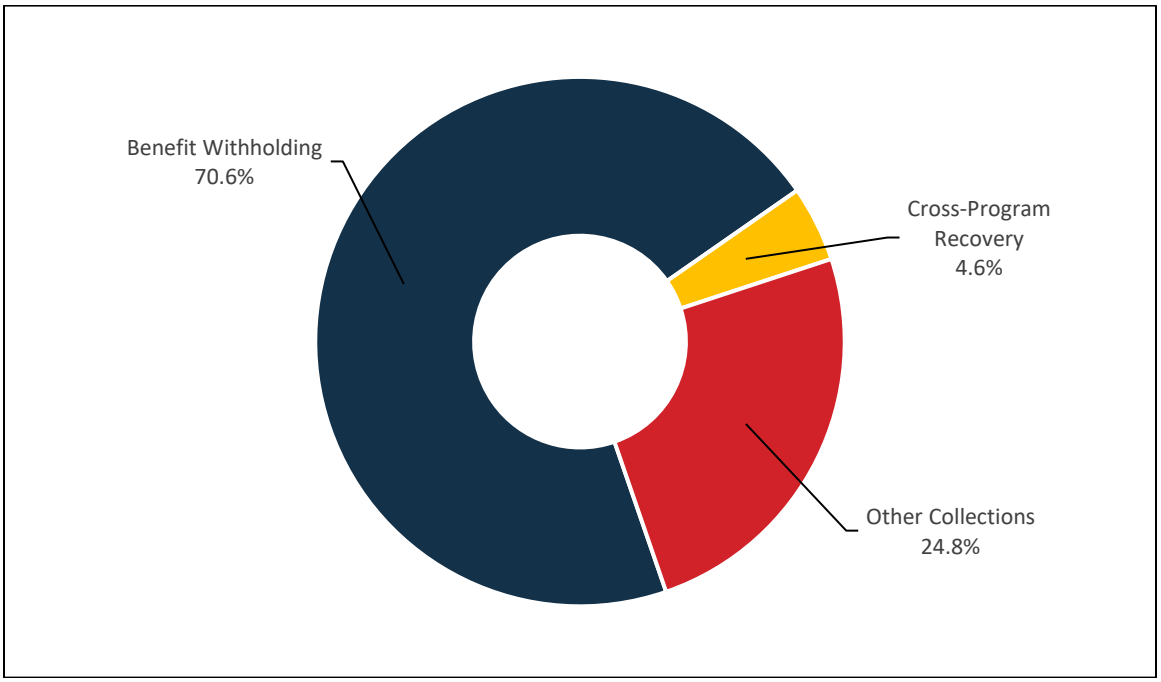
Recovery Method	OASDI	SSI	Admin	Total[5]
Benefit Withholding[1]	$2.997	$1.109	$0.000	**$4.106**
Cross-Program Recovery (CPR)[2]	$0.038	$0.231	$0.000	**$0.269**
Other Collections[3, 4]	$1.035	$0.390	$0.018	**$1.442**
Total Internal Collections[5]	**$4.069**	**$1.730**	**$0.018**	**$5.817**

Note:

1. 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. CPR collects OASDI overpayments from monthly SSI payments and underpayments, and SSI overpayments from monthly OASDI benefit payments and underpayments.
3. Other Collections include voluntary payments received because of a notice requesting a refund of overpayment.
4. Other Collections include administrative and non-debt management system debt, along with voluntary remittances to show a complete tie-in to the combined Treasury Report on Receivables.
5. Totals do not necessarily equal the sum of rounded components.

The following chart highlights the allocation of overpayments collected in FY 2026 through our various internal collection tools as a proportion of the total $5.817 billion internal collections amount.

Breakdown of Internal Collections
FY 2026



External Collections

We utilize external collection tools to recover payments of delinquent debt for beneficiaries and recipients no longer receiving payments. In FY 2026 we recovered $574 million using our external collection tools, which accounted for about 9.0 percent of our total collections amount.

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

External Collections[1]
FY 2026
(Dollars in Billions)

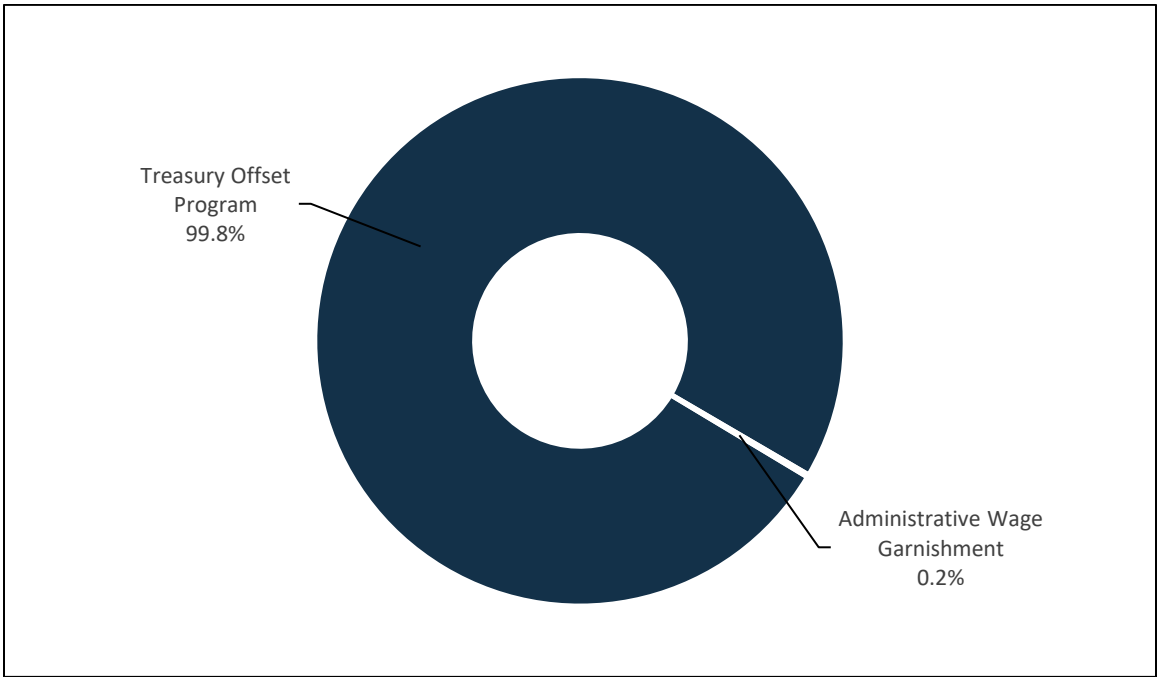
Recovery Method	OASDI	SSI	Total[4]
Treasury Offset Program (TOP)[2]	$0.341	$0.232	**$0.573[5]**
Administrative Wage Garnishment (AWG)[3]	$0.001	$0.000	**$0.001**
Total External Collections[4]	**$0.341**	**$0.232**	**$0.574**

Notes:

1. 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.
2. TOP allows us to collect delinquent debt by tax refund offset, administrative offset, and Federal salary offset.
3. 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).
4. Totals do not necessarily equal the sum of rounded components.
5. Total TOP collections are $573 million for FY 2026 (includes $584 million in collections less $11 million in reversals).

The following chart highlights the allocation of overpayments collected in FY 2026 through our various external collection tools as a proportion of the total $0.574 billion external collections amount.

Breakdown of External Collections
FY 2026



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 year 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, 2026. Additionally, we estimate that approximately 8,700 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 $127 million as of September 30, 2026. 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 2026	FY 2025	FY 2024	FY 2023	FY 2022
Total receivables[2]	$29,543	$26,874	$24,381	$23,154	$21,571
New receivables	$11,808	$10,860	$10,491	10,049	8,582
Total collections	(6,390)	(4,925)	(4,940)	(4,922)	(4,665)
Adjustments	1,003	631	(926)	(189)	56
Total write-offs[3]	(3,752)	(4,074)	(3,398)	(3,355)	(3,286)
- Waivers	(558)	(1,554)	(303)	(267)	(278)
- Terminations	(3,194)	(2,520)	(3,095)	(3,088)	(3,008)
Non delinquent debt	21,678	19,599	17,464	16,567	15,232
Total delinquent debt	$7,865	$7,275	$6,917	$6,587	$6,339
Percentage Analysis					
% of outstanding debt:					
- Non delinquent	73.4%	72.9%	71.6%	71.6%	70.6%
- Delinquent	26.6%	27.1%	28.4%	28.4%	29.4%
% of debt estimated to be uncollectible[4]	58.2%	56.0%	55.6%	57.3%	57.3%
% of debt collected	21.6%	18.3%	20.3%	21.3%	21.6%
% change in collections from prior fiscal year	29.8%	-0.3%	0.4%	5.5%	3.3%
% change in delinquencies from prior fiscal year	8.1%	5.2%	5.0%	3.9%	4.8%
Clearances as a % of total receivables	34.3%	33.5%	34.2%	35.7%	36.9%
- Collections as a % of clearances	63.0%	54.7%	59.2%	59.5%	58.7%
- Write-offs as a % of clearances	37.0%	45.3%	40.8%	40.5%	41.3%
Other Analysis					
Cost to collect $1	$0.06	$0.07	$0.08	$0.08[5]	$0.06
Average number of months to clear receivables:					
- OASI	15	15	13	13	12
- DI	26	27	27	28	30
- SSI	46	41	39	36	45

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.

5. Cost to Collect $1 – The increase in administrative cost beginning in 2023 was due to a change in methodology to include full costing (direct and supporting component costs) versus direct-only costing.

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

FY 2026					
	OASI	DI	SSI Federal	SSI State	Other
Total receivables	$5,787	$8,669	$14,489	$593	$5
New receivables	4,164	3,751	3,716	172	5
Total collections	(2,694)	(1,716)	(1,866)	(96)	(18)
Adjustments	(62)	1,445	(354)	(23)	(3)
Total write-offs	(574)	(2,228)	(926)	(23)	(1)
- Waivers	(139)	(210)	(199)	(9)	(1)
- Terminations	(435)	(2,018)	(727)	(14)	-
Non delinquent debt	5,019	7,273	9,025	358	3
Total delinquent debt	$768	$1,396	$5,464	$235	$2

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.

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