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

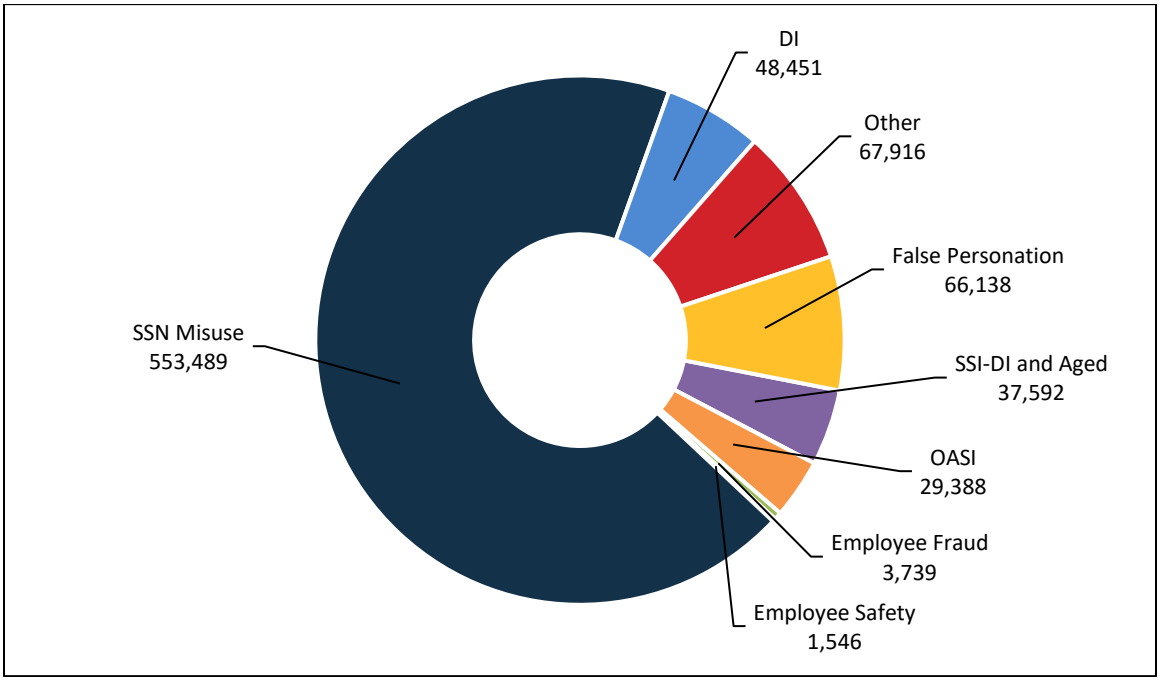
The Office of the Inspector General's Anti-Fraud Activities

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.

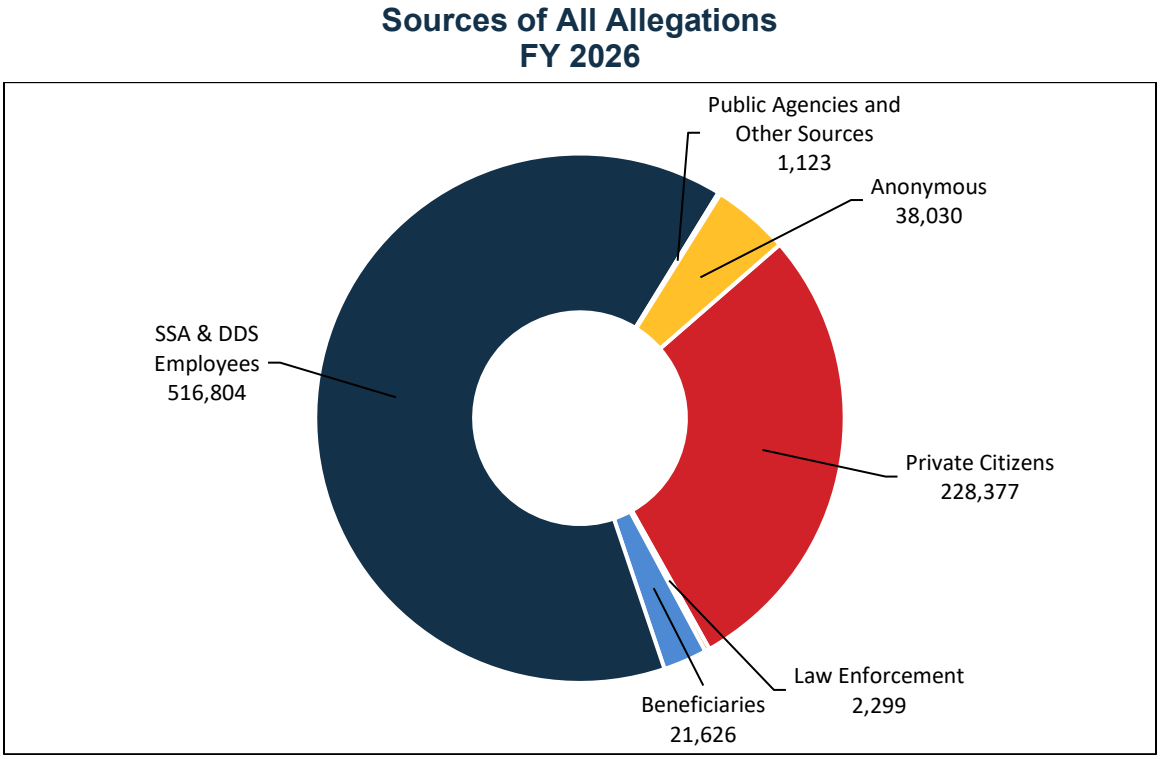
In FY 2026, OIG received a significant number of SSN misuse allegations related to the Presidential Memorandum: *Preventing Illegal Aliens from Obtaining Social Security Act Benefits*. The Memorandum directs the Commissioner of Social Security to refer promptly to the Inspector General of SSA *all* earnings 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.

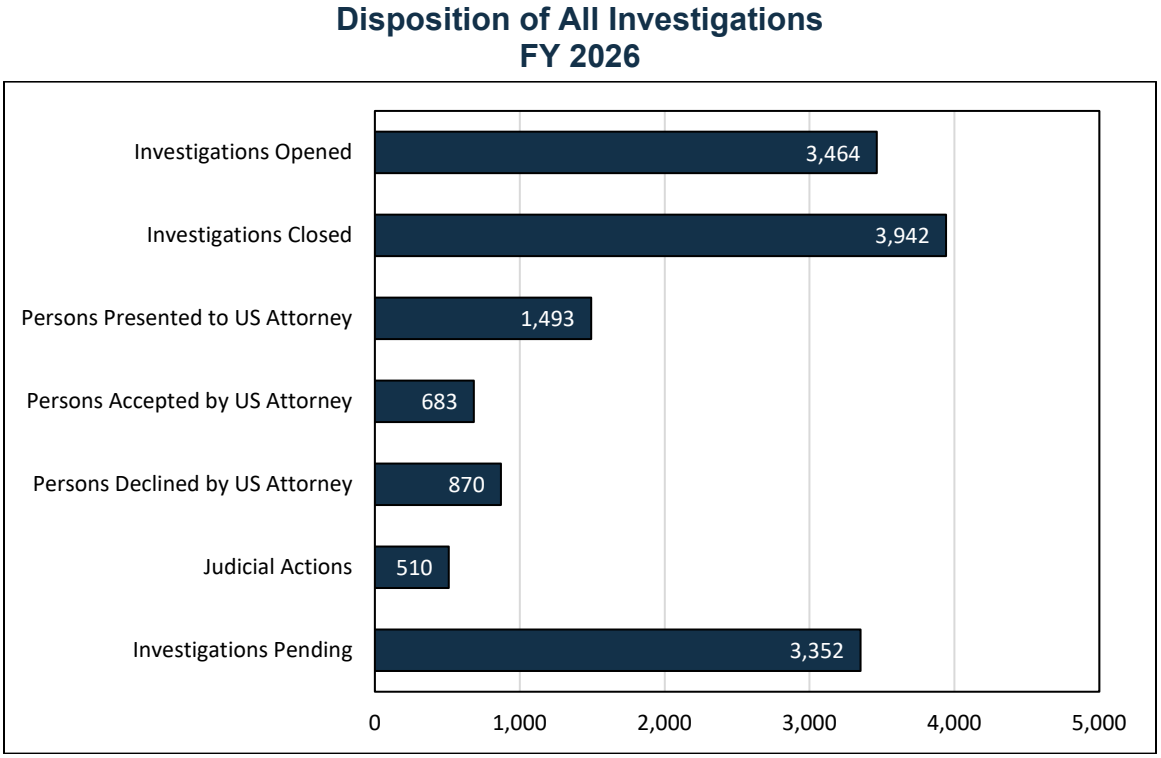
Total Allegations by Category
FY 2026



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)

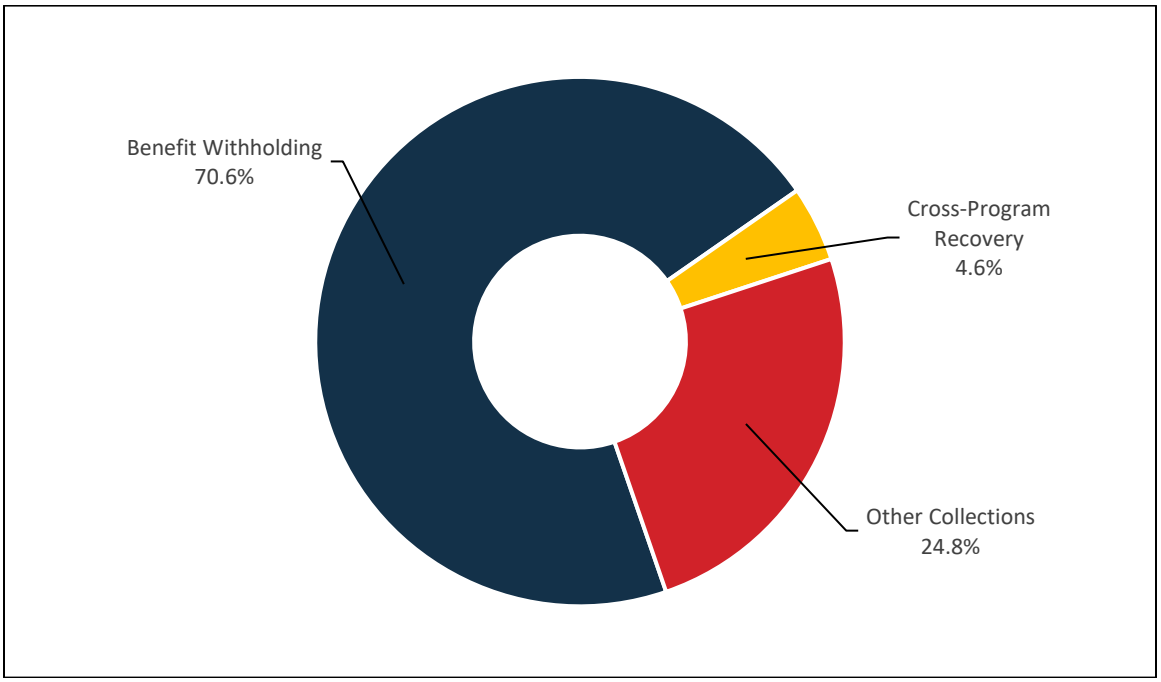
Recovery Method	OASDI	SSI	Admin	Total[5]
Benefit Withholding[1]	$2.997	$1.109	$0.000	**$4.106**
Cross-Program Recovery (CPR)[2]	$0.038	$0.231	$0.000	**$0.269**
Other Collections[3, 4]	$1.035	$0.390	$0.018	**$1.442**
Total Internal Collections[5]	**$4.069**	**$1.730**	**$0.018**	**$5.817**

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)

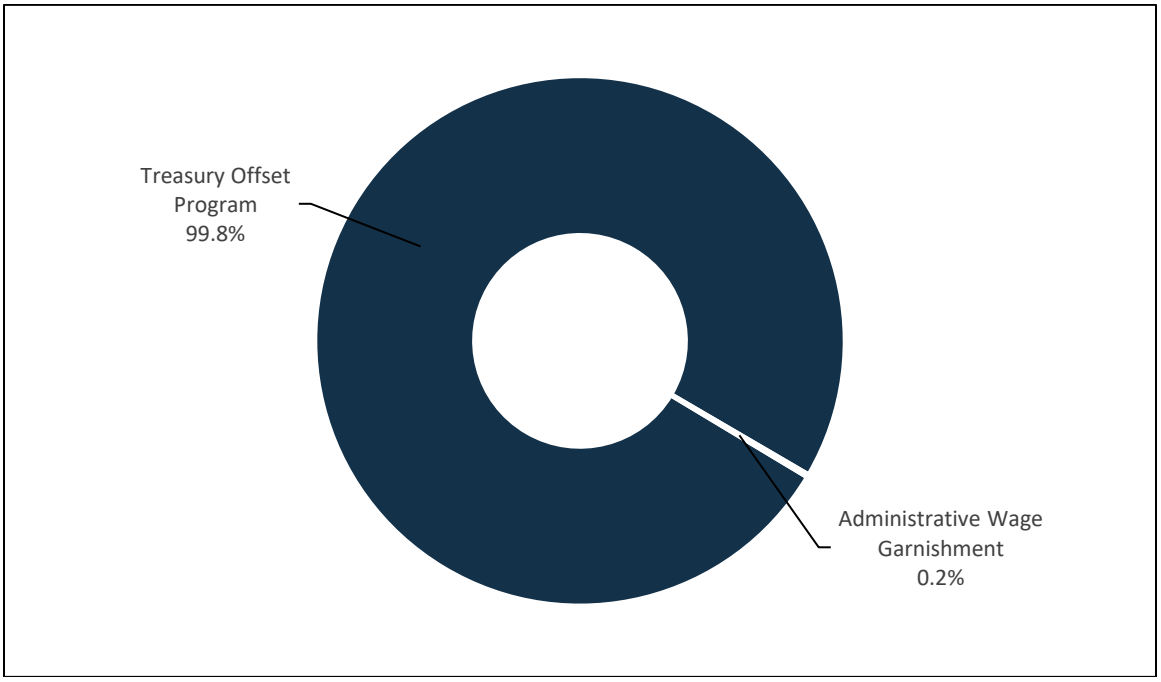
Recovery Method	OASDI	SSI	Total[4]
Treasury Offset Program (TOP)[2]	$0.341	$0.232	**$0.573[5]**
Administrative Wage Garnishment (AWG)[3]	$0.001	$0.000	**$0.001**
Total External Collections[4]	**$0.341**	**$0.232**	**$0.574**

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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