



SOCIAL SECURITY
Frank J. Bisignano, Commissioner

May 22, 2026

The Honorable Jason Smith
Chair, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Committee Chair Smith:

Section 845(b) of the Bipartisan Budget Act of 2015 requires us to submit an annual report on work-related continuing disability reviews to the House Committee on Ways and Means. I have enclosed our reports of activity in calendar years 2023 and 2024.

If you have questions about this report, please feel free to contact me. Your staff may also contact Mark Steffensen, Chief of Law, Policy, and Legislative Affairs at (202) 358-6030.

I am also sending the report to the Senate Committee on Finance.

Sincerely,

Frank J. Bisignano

Enclosure

cc:
The Honorable Richard Neal, Ranking Member



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Frank J. Bisignano, Commissioner

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The Honorable Mike Crapo
Chair, Committee on Finance
U.S. Senate
Washington, DC 20510

Dear Committee Chair Crapo:

Section 845(b) of the Bipartisan Budget Act of 2015 requires us to submit an annual report on work-related continuing disability reviews to the Senate Committee on Finance. I have enclosed our reports of activity in calendar years 2023 and 2024.

If you have questions about this report, please feel free to contact me. Your staff may also contact Mark Steffensen, Chief of Law, Policy, and Legislative Affairs at (202) 358-6030.

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Enclosure

cc:
The Honorable Ron Wyden, Ranking Member

Annual Report on Work-Related Continuing Disability Reviews, Calendar Year 2023

Overview

We perform work-related continuing disability reviews (work CDR) to determine if disabled beneficiaries eligible for Old-Age, Survivors, and Disability Insurance (OASDI) benefits are engaging in substantial gainful activity (SGA). We evaluate the completion of the trial work period (TWP), a period during which disabled beneficiaries may test their ability to work and still be considered disabled and eligible for OASDI benefits. After the TWP the Extended Period of Eligibility (EPE) begins. Work at the SGA level in the 36-months of the EPE may result in a suspension of benefits and work at the SGA level after the 36-months indicates the beneficiaries are no longer eligible for OASDI disability benefits.¹ Reports of work and earnings trigger work CDRs.

Key results—During calendar year 2023, we completed about 217 thousand work CDRs which were triggered by work reports that we received. About one-half of those work CDRs, 110 thousand, resulted in a finding of at least one month of ineligibility in the period covered by the review. We estimate that these work CDRs will result in a present value of \$9.2 billion in lifetime net program savings for the Title II program.

Statutory Requirements

Section 845(b) of the Bipartisan Budget Act (BBA) of 2015 requires an annual report to Congress on work CDRs. The report shall include:

- 1) The number of individuals receiving benefits based on disability under Title II of the Social Security Act (Act) for whom reports of earnings were received from any source by the Commissioner in the previous calendar year, reported as a total number and separately by the source of the report.
- 2) The number of individuals for whom such reports resulted in a determination to conduct a work CDR, and the basis on which such determinations were made.
- 3) In the case of a beneficiary selected for a work CDR on the basis of a report of earnings from any source—
 - (A) the average number of days between the receipt of the report and the initiation of the review; between the initiation and the completion of the review; and the average amount of overpayment, if any;
 - (B) the number of such reviews completed during such calendar year, and the number of such reviews that resulted in a suspension or termination of benefits;

¹ Some beneficiaries will retain eligibility for Medicare after loss of OASDI eligibility due to engaging in SGA.

(C) the number of such reviews initiated in the current year that had not been completed as of the end of such calendar year; and
(D) the number of such reviews initiated in a prior year that had not been completed as of the end of such calendar year.

- 4) Total program savings² to the Trust Funds and the Treasury generated from benefits suspended or terminated as a result of such reviews.
- 5) The number of individuals for whom a work CDR was completed during the calendar year who participated in the Ticket to Work program, any program work incentives, or who received vocational rehabilitation services with respect to which the Commissioner of Social Security reimbursed a State agency under section 222(d) of the Act.

Work CDR Process

The Act defines disability as the inability to perform SGA due to a medically determinable physical or mental impairment(s) that has lasted or is expected to last for a continuous period of at least 12 months or result in death.

OASDI disabled beneficiaries are required to report new or changed work activity to us. When a beneficiary self-reports work activity or earnings to us, it is known as direct reporting. Beneficiaries who directly report their earnings generally have their work CDRs conducted by technicians in the field office of jurisdiction. We also detect earnings using data matching to external reports of earnings. After allowable exclusions are applied, we alert our processing centers of the need to conduct a work CDR. We use the term “enforcement work CDR” to refer to a work CDR triggered by an external report of earnings.

In 2023, countable earnings averaging over \$1,470 a month for non-blind individuals and \$2,460 for blind individuals generally demonstrated the ability to perform SGA.

When we receive reports of earnings or work activity from direct reports or enforcements, we analyze the case to determine if the work activity merits a work CDR. Many work reports of earnings may not require a work CDR because the work occurs during the TWP or does not reach SGA after the TWP.

² Program “savings” as referenced in Section 845(b) of the BBA of 2015, and as used throughout this report, refers to the total amount of benefits that would have been due to the beneficiary and paid in the absence of the work CDR process, and so represents total benefit payments that are reduced through overpayment collection and avoided as a result of the additional consideration attributable to the work CDR determination.

Table 1 shows the sources of our information about earnings. In 2023, the enforcement earnings information was obtained from two sources: (1) the Office of Child Support Enforcement (OCSE), provided on a quarterly basis; and (2) annual wage reports via W-2s and other earnings reports.³

All OASDI disabled beneficiaries with reported earnings

Table 1
Number of beneficiaries for whom reports of earnings were received by source of report (in thousands)

Year	Direct reporting	Enforcement	
		IRS	OCSE
2023	300	1,323	1,437

SOURCES: SSA, Master Earnings File, Disability Control File, and Electronic Work file, 100 percent data.

Note: We do not include a total because many cases appear in multiple categories.

Thousands of the disabled beneficiary earnings records SSA receives and reviews annually do not result in a work CDR. Usually, a work CDR is not initiated because the available earnings are below SGA or would not result in a completed TWP. A diary reminder may be set for a review to be initiated months later when the beneficiary may have completed their TWP. Some beneficiaries receive multiple work CDRs in a year because their reported earnings indicate the earnings could have an impact on the beneficiary’s entitlement to benefits. Table 2 reports work CDRs started in the year, regardless of the result of the review. Many work CDRs that began as a result of externally reported earnings ended when technicians reviewed the available data, applied program instructions, and ceased reviews prior to completion.

All OASDI disabled beneficiaries with a work CDR

Table 2
Number of work reviews initiated and source of earnings (in thousands)

Year	Total	Direct reporting	Enforcement
2023	482	279	203

SOURCE: SSA, Disability Control File, 100 percent data.

³ We use wage and self-employment data as recorded in the Master Earnings File (MEF). For convenience here and throughout this report, we will refer to this data as IRS data as these earnings reports ultimately belong to the Internal Revenue Service (IRS).

Table 3 presents information on the number of work CDRs completed in 2023, the time taken to process these work CDRs, and the resulting overpayments identified. We process work CDRs more quickly for disabled beneficiaries who directly report earnings. The external earnings data from the IRS, that is reviewed in enforcement work CDRs, is generally only available the following year. Starting in 2017, we began using quarterly earnings data from OCSE to identify enforcement work CDRs more quickly—normally within just a few months after the beneficiary starts working.

SGA-related overpayments occur when beneficiaries receive disability payments for months they engage in SGA during or after the EPE.⁴ Most overpayments result when we are unaware of beneficiaries’ work activity or are unable to respond quickly when the large volume of earnings data becomes available all at once.

All disabled beneficiaries with a completed work CDR

Table 3
Distribution, by type of review, 2023

Reviews	Total	Direct report	Enforcement
Total reviews completed	217,375	111,637	105,738
Average days between report and initiation of work CDR ^a	--	21	25
Average days between initiation and completion of work CDR	289	93	496
Average overpayment per beneficiary where an overpayment was identified (dollars)	17,500	--	--
Work CDRs where the period of months reviewed included at least one month of SGA after the TWP ^b	110,450	47,957	62,493

SOURCES: SSA, Disability Control File, Electronic Work File, and Recovery of Overpayments, Accounting and Reporting Systems, 100 percent data.

NOTES: In 2023, 265,084 work CDRs were completed. This table represents the results of the first work CDR completed in the year per beneficiary.

-- = not available.

- a. Approximately 60 percent of the completed work CDRs could not be matched to the work report that triggered them.
- b. This count includes the work CDRs that resulted in a suspension or termination of benefits. It also includes work CDRs where all SGA after the TWP fell within the grace period (and thus, benefits were not suspended).

Prior to 2021, we generally received annual earnings information by June for the prior year, at which time we initiated work CDRs based on annual earnings data. Typically, over 200,000 work CDRs were started at one time, and this aggregate workload took a full year to complete. Starting in 2021, we now rely more on quarterly earnings data from OCSE to initiate work

⁴ During and after the EPE, benefits to those whose disability had previously ceased due to SGA may be reinstated, provided they continue to have a disabling impairment, cease performing SGA, and meet certain other technical requirements.

CDRs. The quarterly earnings data is available nearly a year earlier than IRS data on average and allows us to initiate work CDRs in smaller batches throughout the year. We also improved our automated processes to better filter enforcement earnings data and only initiate a work CDR if the earnings indicate the beneficiary completed the TWP or is working SGA. Table 4 presents the number of pending work CDRs based on the year they were initiated.

All OASDI disabled beneficiaries with a work CDR

Table 4

Number of pending work CDRs, by year work CDR was initiated January 2024

Year	Total
2022 and earlier	96,500
2023	236,906

SOURCE: Social Security Administration, Social Security Unified Measurement Systems data, 100 percent data.

Estimated Program Savings

Table 5 presents estimated net program savings for the combined OASDI Trust Funds for work CDRs completed in calendar year (CY) 2023.⁵

These net OASDI program savings estimates are based on:

- Projected recoveries of benefit overpayments, for SGA-related overpayments detected and established during CY 2023, less projected outlays for SGA-related underpayments detected and established during CY 2023;
- Projected future nonpayment of benefits during periods of SGA-related suspension or termination resulting from work CDRs completed in CY 2023, less projected future benefit payments for periods of SGA-related suspension or termination that were rescinded due to work CDRs completed in CY 2023; and
- The intermediate assumptions underlying the 2024 OASDI Trustees Report.

⁵ Work CDRs have additional effects on Federal payments under the Medicare, Supplemental Security Income, and Medicaid programs that are not reflected in Table 5.

Table 5
Estimated net OASDI program savings attributable to work CDRs completed in CY 2023

Annual net program savings for the first 10 calendar years (in millions of nominal dollars)										
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Net program savings	\$949	\$1,145	\$842	\$716	\$631	\$571	\$535	\$500	\$467	\$441

Estimated present value of net lifetime OASDI program savings, discounted for interest to December 31, 2023..... \$9.2 billion

SOURCES: SSA, Actuarial Services, projections based on historical experience from the Master Beneficiary Record and the Recovery of Overpayments, Accounting, and Reporting System, 100 percent data.

Work Incentives

Table 6 reports on beneficiaries’ use of work incentives, including the Ticket to Work program, vocational rehabilitation, and other incentives. All work incentives are intended to assist beneficiaries in becoming self-sufficient through work. Work incentives can help a beneficiary find a job, start a business, or protect medical benefits in the early days of work, for example. Employment supports provide help over a long period to allow beneficiaries to test work or to continue working, and gradually become self-supporting and independent. For more information on our work incentives, see the Red Book: <https://www.ssa.gov/redbook/>.

All OASDI disabled beneficiaries with a completed work CDR

Table 6.
Distribution, by work incentive and type of review, 2023

Work Incentives	Total	Direct report	Enforcement
Total reviews completed	217,375	111,637	105,738
Ticket to Work participants			
Employment Network active	14,630	10,703	3,927
Vocational Rehabilitation active	9,297	6,187	3,110
Number using Work Incentives			
Trial Work Period	112,259	64,553	47,706
Impairment related work expense	3,034	1,572	1,462
Unsuccessful work attempts	12,977	6,531	6,446
Subsidies	10,285	4,573	5,712
Special condition	2,052	1,114	938

SOURCE: Social Security Administration, Disability Control File, 100 percent data.

NOTE: In 2023, 265,084 work CDRs were completed. This table represents the results of the first work CDR completed in the year per beneficiary.

Conclusion

We took significant measures to improve the work CDR process. We improved our business processes and computer systems to better track and manage the work CDR workloads, including the use of OCSE earnings data to start work CDRs within months after a beneficiary starts working. We also implemented several sections of the BBA, including Section 826, which requires the development of additional electronic wage reporting for OASDI disabled beneficiaries, and Section 825, which allows us to credit earnings in the month they are paid, if there are difficulties identifying when the wages are earned. For Section 824, we signed an agreement with a third-party payroll data provider to supply monthly payroll data for beneficiaries who granted us authorization to make requests for this data. Although these changes facilitate the work CDR process, the impact of the pandemic, reduced staffing for processing work CDRs, and reduced funding for automation projects have led to increased work CDR processing times, resulting in larger overpayments.