

## Recovering Overpayments

Social Security overpayments can occur because of error, delays in processing a change in a beneficiary's status, or, less commonly, because of fraud. When this occurs, SSA has procedures to recover the money and make the trust funds whole. Many overpayments can be recovered simply by reducing future Social Security payments or having the individual directly repay Social Security, but if those are not successful, the Commissioner of Social Security is also authorized to use a variety of other tools. Those tools include intercepting tax refunds, reducing other federal benefits, and reporting the debt to credit bureaus. In extreme cases, Social Security is authorized to garnish wages and bar delinquents from receiving federal loans.

### Overpayment Facts (2013)

Total earned benefits paid:  
\$824 billion

Overpayment rate: 0.22%

Overpayments recovered  
(includes older debts):  
\$3.3 billion

Overpayments outstanding (all  
years): \$9 billion

Average cost to collect: 7 cents  
for every \$1 recovered

### Challenges of Collecting Overpayments

- Since 2010, SSA has lost more than 5,000 local office staff, who play a key role in identifying overpayments and making sure they are collected
- Often, overpaid beneficiaries have relatively low income and need to work out a reasonable payment plan
- Collection strategies used for Americans not currently receiving Social Security (wage garnishment, credit bureau reporting) are very labor-intensive