



U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS
1139 LONGWORTH HOUSE OFFICE BUILDING
Washington, DC 20515

July 31, 2023

Dr. Kilolo Kijakazi
Acting Commissioner
Social Security Administration
6401 Security Boulevard
Baltimore, Maryland 21235

Dear Acting Commissioner Kijakazi:

We write to request that you provide us with an update on the status of the Payroll Information Exchange (PIE)—authorized under Section 824 of the *Bipartisan Budget Act of 2015*¹ (BBA)—which authorizes the Commissioner of Social Security to enter into data exchanges with commercial payroll data providers to help administer monthly Social Security Disability Insurance (DI) and Supplemental Security Insurance (SSI) benefits accurately and efficiently.

As you are well aware, the Social Security Administration (SSA) is the steward of the federal government's largest expenditure of taxpayer dollars, responsible for managing over \$1 trillion in payments to roughly 70 million beneficiaries annually. With a program this size, getting even a small number of payments wrong, whether overpaying or underpaying, can result in billions of dollars of improper payments. Resolving an improper payment once it's occurred not only adds to the SSA's workloads, but more importantly can be unduly burdensome for a beneficiary. It is therefore imperative that the SSA fully utilize the authorities granted by Congress to limit improper payments *before they occur*.

Unfortunately, in Fiscal Year (FY) 2021, Social Security's combined DI and Old-Age and Survivors Insurance (OASDI) programs made roughly \$2.5 billion in improper payments, nearly \$2 billion of which were overpayments. In FY 2021, SSI made more than \$4 billion in overpayments.² According to the SSA, beneficiaries' failure to report earnings in a timely manner is a major cause of improper payments in the OASDI and SSI programs.³ A recent report from the SSA Office of the Inspector General reiterated, "Obtaining data from external sources, such as other Federal and State agencies and financial institutions, is critical to preventing and detecting improper payments."⁴

¹ *Bipartisan Budget Act of 2015*, Pub. L. No. 114-74 (2015).

² *Agency Financial Report: Fiscal Year 2022*, SOCIAL SECURITY ADMINISTRATION (Nov. 10, 2022).

³ *Id.* at 146 and 157.

⁴ *The Social Security Administration's Challenges and Successes in Obtaining Data to Determine Eligibility and Payment Amounts*, OFFICE OF THE INSPECTOR GENERAL, SOCIAL SECURITY ADMINISTRATION (September 2022) at 1.

It has now been more than seven years since Congress authorized the use of data exchanges with payroll data providers to reduce improper payments, improve the administration of the DI and SSI programs, and alleviate monthly reporting burdens for beneficiaries. However, the SSA has still not put the PIE into production despite repeatedly citing the development of the PIE as a key effort to reduce improper payments. It is surprising and unacceptable that the SSA has still not implemented the PIE, which was authorized by bipartisan legislation and is intended to help reduce improper payments and support the administration of DI and SSI.

In 2021, the SSA published a notice of implementation of the PIE in the Federal Register, signaling the SSA's intent to move forward with an information exchange.⁵ However, no regulations have been published and the SSA's Spring 2023 Regulatory Agenda indicates that the PIE notice of proposed rulemaking is now expected in January 2024—more than eight years after the BBA was enacted.

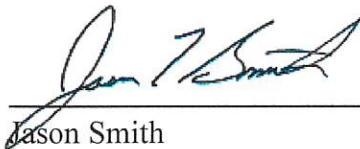
We request responses to the following by August 14:

- 1) The steps that have been taken to implement the PIE since the passage of the BBA.
- 2) An explanation for the delay following the publication of the 2021 notice to implement.
- 3) A timeline for full implementation of the PIE.

Additionally, given the importance of the Social Security programs and the payment integrity issues facing the agency, we encourage you to fully implement Section 824 of the BBA before the end of this fiscal year.

If you have any questions, or believe you will be unable to comply with any part of this request, please have your staff contact Shaun Freiman, Chief Social Security Counsel and Deputy General Counsel, at 202-225-3625 or shaun.freiman@mail.house.gov.

Sincerely,



Jason Smith
Chairman
Committee on Ways and Means



A. Drew Ferguson, IV
Chairman
Subcommittee on Social Security
Committee on Ways and Means



Darin LaHood
Chairman
Subcommittee on Work and Welfare
Committee on Ways and Means

⁵ Use of Electronic Payroll Data to Improve Program Administration, 86 Fed. Reg. 5303 (Jan. 19, 2021).