



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Work Review Determinations for Disabled Beneficiaries

A-07-21-51012 September 2022



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 29, 2022

Refer to: A-07-21-51012

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis, 
Inspector General

Subject: Work Review Determinations for Disabled Beneficiaries

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration's controls ensured work review determinations were accurate and supportable.

If you wish to discuss the final report, please contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

Work Review Determinations for Disabled Beneficiaries

A-07-21-51012



September 2022

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration's (SSA) controls ensured work review determinations were accurate and supportable.

Background

The Old-Age, Survivors and Disability Insurance (OASDI) program provides disability benefits to eligible individuals who cannot engage in substantial gainful activity (SGA) because of a disabling condition. When a disabled beneficiary works, SSA may conduct a work continuing disability review (CDR) to determine whether the beneficiary has engaged in SGA. During a work CDR, SSA evaluates a beneficiary's work for SGA and makes a work review determination. If SSA determines the beneficiary's work activity is SGA, it may suspend or terminate benefits.

The OASDI program includes work incentives for disabled beneficiaries to return to work. SSA identifies and applies work incentives during work CDRs, which require additional documentation and a more complex work review determination.

To process work CDRs, SSA employees use the eWork application. From eWork, we identified 63,550 beneficiaries who underwent work CDRs involving 1 of 3 incentives initiated from January 1, 2018 through December 31, 2019. We reviewed three random samples of beneficiaries, one for each type of incentive.

Results

SSA's controls did not ensure work review determinations were accurate and supportable. We estimate SSA made errors on work review determinations for more than 31,000 beneficiaries, which resulted in over \$553 million in questionable benefit payments.

The errors we identified occurred because (1) the controls in eWork do not adequately guide SSA employees when they apply work incentives; (2) eWork has limited functionality; and (3) certain work incentive policies and forms are unclear. SSA stated it has plans to replace eWork with a new system for work CDR processing but did not provide a clear timeline for implementation.

Recommendations

We made five recommendations for SSA, including taking corrective action on the errors we identified; incorporating controls and increased functionality in the system that will replace eWork; providing employees refresher training to properly monitor accurate completion of manual updates while increased automation efforts are pending; and updating policy and forms with clearer, specific instructions.

SSA agreed with our recommendations.

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ABBREVIATIONS

CDR	Continuing Disability Review
C.F.R.	Code of Federal Regulations
EPE	Extended Period of Eligibility
Form SSA-3033	<i>Employee Work Activity Questionnaire</i>
IRP	Initial Reinstatement Period
IRWE	Impairment-related Work Expenses
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
PC	Processing Center
<i>POMS</i>	Program Operations Manual System
SGA	Substantial Gainful Activity
SSA	Social Security Administration
TWP	Trial Work Period
U.S.C.	United States Code
UWA	Unsuccessful Work Attempt

OBJECTIVE

To determine whether the Social Security Administration's (SSA) controls ensured work review determinations were accurate and supportable.

BACKGROUND

The Old-Age, Survivors and Disability Insurance (OASDI) program provides disability benefits to workers and their families to protect against the economic consequences of prolonged and severe disability.¹ The OASDI program defines disability for adults as the inability to engage in substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that has lasted or is expected to last at least 12 months or result in death.² SGA is work activity that involves performing significant physical and/or mental activities for pay or profit that exceeds a certain monthly threshold.³ When a disabled beneficiary works, SSA may conduct a work continuing disability review (CDR) to determine whether the beneficiary has engaged in SGA. During a work CDR, SSA evaluates a beneficiary's work for SGA and makes a work review determination. If SSA determines the beneficiary's work activity is SGA, it may suspend or terminate benefits.⁴

Work Incentives

The OASDI program includes work incentives for disabled beneficiaries to return to work.⁵ SSA identifies and applies work incentives when it conducts work CDRs.⁶ Some work incentives include:

- impairment-related work expenses (IRWE);
- unsuccessful work attempts (UWA);
- subsidy;⁷
- the trial work period (TWP);
- extended period of eligibility (EPE); and
- expedited reinstatement, which involves an initial reinstatement period (IRP).⁸

¹ 42 U.S.C. §§ 402 and 423.

² 42 U.S.C. §423 (d)(1)(A).

³ 20 C.F.R. § 404.1572 and SSA, *POMS*, DI 10501.001 (January 5, 2007).

⁴ SSA, *POMS*, DI 13001.001 (December 2, 2014) and DI 13010.001 (April 22, 2009).

⁵ SSA, *POMS*, DI 13010.001, A.1 (April 22, 2009).

⁶ SSA, *POMS*, DI 13010.001, B (April 22, 2009).

⁷ SSA, *POMS*, DI 10505.010, A.4 (January 31, 2017). SSA considers special conditions, such as job coaching, provided by employers and/or organizations when it applies the subsidy work incentive.

⁸ SSA, *POMS*, DI 55055.001, B.5 (April 5, 2022) and DI 13050.066 (July 27, 2017).

Of these incentives, IRWE, UWA, and subsidy may affect SSA's determination of whether a beneficiary engaged in SGA. For example, SSA may deduct certain IRWE and employer-subsidized wages from beneficiaries' monthly countable earnings when it determines whether their earnings constitute SGA.⁹ SSA may also disregard months of SGA if it determines the work is a UWA.¹⁰ Work CDRs that involve these work incentives require additional documentation and a more detailed work review determination. The TWP, EPE, and IRP provisions affect when benefits should be paid, suspended, or terminated based on SGA determinations during work CDRs.¹¹

The eWork Application

To process work CDRs, SSA employees use eWork to input, support, and control disability-related post-entitlement actions and determinations. The eWork application effectuates determinations by (1) interfacing with SSA's mainframe to transfer pertinent information and update benefit records and (2) generating notices for employees to send beneficiaries.¹²

In some situations, SSA employees must take additional steps to process work CDRs in eWork. For example, employees cannot effectuate all work reviews in eWork because of processing exceptions or exclusions. Processing exceptions occur when there are incorrect or missing data on the benefit records that must be resolved before eWork can effectuate a determination. Processing exclusions occur when limitations in eWork functionality prevent effectuation. These types of work CDRs require manual actions as they cannot be effectuated through eWork.¹³ Additionally, for disabled beneficiaries who are entitled to multiple benefits, SSA employees process a separate determination for each benefit in eWork.¹⁴

SSA plans to replace eWork with a new system for work CDR processing. The Agency does not have a clear timeline for implementing the new system.¹⁵

⁹ SSA, *POMS*, DI 10520.001, A (March 25, 2004) and DI 10505.010, A (January 31, 2017).

¹⁰ SSA, *POMS*, DI 11010.145, A (June 27, 2022).

¹¹ SSA, *POMS*, DI 13010.035, A (March 9, 2016); DI 13010.210, A (January 13, 2010); and DI 13050.066, A (July 27, 2017).

¹² SSA, *POMS*, DI 13010.025, B.1 – B.3 (November 4, 2021).

¹³ SSA, *POMS*, DI 13010.026, A (March 7, 2014).

¹⁴ SSA, *POMS*, DI 13010.035, H (March 9, 2016). Some individuals may be entitled to benefits based on the Social Security covered earnings of more than one worker. For example, an individual may be entitled to disability benefits based on his/her prior earnings and may also be entitled to additional disability benefits as the widow(er) of a deceased worker.

¹⁵ SSA plans for the new system to be integrated with its Electronic Disability Collect System, an application SSA uses to process initial disability claims, appeals, and medical CDRs. SSA, *POMS*, DI 81010.005 (April 4, 2019).

Scope and Methodology

We obtained from eWork approximately 1.1 million records for work CDRs initiated from January 1, 2018 through December 31, 2019 for disabled adult OASDI beneficiaries. From this population, we identified 63,550 beneficiaries who underwent work CDRs involving only 1 of the following work incentives:

- **IRWE Sampling Frame:** 10,825 beneficiaries who had at least 1 work CDR that involved IRWE.
- **UWA Sampling Frame:** 29,530 beneficiaries who had at least 1 work CDR that involved a UWA.
- **Subsidy Sampling Frame:** 23,195 beneficiaries who had at least 1 work CDR that involved a subsidy.

We reviewed a random sample of 200 beneficiaries from each of the 3 sampling frames, for a total of 600 beneficiaries, to determine whether SSA made accurate and supportable work review determinations.¹⁶ To make this determination, we reviewed SSA's application of IRWE, UWA, and subsidy work incentives and the TWP, EPE, and IRP provisions as well as SSA's processing of work CDRs involving manual actions or multiple entitlements. We identified errors in our samples where work review determinations for the sampled beneficiaries were not supported by documentation on file in SSA's systems or inconsistent information in SSA's records needed to be resolved. (See Appendix A for additional information about the scope and methodology of our review.)

RESULTS OF REVIEW

SSA's controls did not ensure work review determinations were accurate and supportable. Based on our sample results, we estimate SSA made errors on work review determinations for more than 31,000 beneficiaries, which resulted in over \$553 million in questionable benefit payments.¹⁷ Errors occurred for the following reasons:

- eWork controls do not adequately guide SSA employees when they apply work incentives to ensure the criteria are met and benefits are paid, suspended, or terminated accurately.
- Limitations in eWork require that employees take manual actions on some work CDRs and take additional steps to process work CDRs that involve multiple entitlements.
- SSA policies and employer forms for the subsidy work incentive are unclear.

¹⁶ To ensure accurate reporting on SSA's application of these work incentives, we excluded from each sampling frame beneficiaries with CDRs that involved multiple work incentives that affected the SGA determinations during the period we reviewed.

¹⁷ We estimate the \$553 million included payments of almost \$549 million more than beneficiaries were due and almost \$5 million less than beneficiaries were due. See Appendix B for our sample results and projections.

Regarding the complexities involved in work review determinations, SSA stated, “. . . we are always looking for ways to simplify the work CDR process . . . but real simplification would require changes to existing legislation, which would require congressional action.”¹⁸ Absent legislative changes, SSA must rely on its policies, procedures, and controls to ensure its employees make accurate determinations.

eWork Controls Do Not Ensure the Agency Accurately Processes Work Reviews

SSA employees misapplied the IRWE and UWA work incentives and the TWP, EPE, and IRP provisions because controls in eWork are not adequate. While there are controls in eWork that identify potential errors and aid in processing work CDRs, such as alerts that notify employees of possible issues with work CDR inputs before making a determination, we found these controls did not always prevent errors. SSA will need to incorporate controls in the system that will replace eWork to increase the accurate processing of work CDRs.

Impairment-related Work Expenses

Of the 200 sampled beneficiaries from the IRWE sampling frame, SSA employees incorrectly applied the IRWE work incentive for 64 (32 percent). IRWE are out-of-pocket costs of certain medical expenses that SSA may deduct from disabled beneficiaries’ monthly countable earnings when they conduct work CDRs. When a beneficiary alleges material IRWE¹⁹ during a work CDR, policy requires that employees verify and document that:

- the beneficiary needs the alleged IRWE to work;
- the IRWE correlates to the beneficiary’s disabling condition(s);
- the beneficiary paid for the IRWE;
- amounts paid for IRWE were reasonable when compared to the prevailing cost for the same item or service; and
- the beneficiary has not been, and will not be, reimbursed for the IRWE.²⁰

¹⁸ SSA included a legislative proposal, *Enhance Work and Earnings Opportunities for People with Disabilities*, in the Fiscal Year 2021 Presidential Budget. This proposal would replace return-to-work provisions with a simplified earnings test for working beneficiaries with disabilities, eliminating the need for work CDRs. In its *Congressional Justification* for the Fiscal Year 2021 Presidential Budget, SSA supported the legislative proposal, citing “. . . current rules governing [Disability Insurance] beneficiaries’ earnings while they are attempting to return to work are difficult for beneficiaries to understand and very complex to administer.” SSA did not include legislative proposals in the Fiscal Year 2022 or 2023 Presidential Budgets.

¹⁹ SSA considers IRWE to be material when the amount deducted reduces a beneficiary’s earnings below SGA.

²⁰ SSA, *POMS*, DI 10520.001 (March 25, 2004).

Policies and procedures for the IRWE work incentive require that employees take multiple steps before they apply IRWE to a beneficiary's monthly countable earnings. To assist with these steps, SSA created internal Websites that cover IRWE and work CDRs and a help button in eWork that defines IRWE. However, eWork does not contain controls, such as questions related to IRWE policy requirements, to prevent employees from deducting expenses that do not meet the definition of allowable IRWE or require that employees upload, or certify that they obtained and verified, proof of payment from beneficiaries.

For example, a beneficiary alleged IRWE during a June 2019 work CDR. SSA deducted \$400 in monthly IRWE, which reduced his countable earnings below SGA from January 2018 through April 2019 and made him eligible for disability benefits for that period. The beneficiary provided SSA bills for medical expenses, many of which showed collection agencies had acquired the beneficiary's unpaid medical debt. None of the bills the beneficiary provided supported that the beneficiary made any of the payments. Subject matter experts from SSA's Office of Operations informed us, "In this instance, it would be proper for the technician to reach back out to the [beneficiary] and inform them of the proper evidence necessary." While nothing in policy prevents employees from following up with beneficiaries to obtain additional evidence, follow up is not required by policy. Based on the evidence on file, SSA should have terminated the beneficiary's disability benefits beginning January 2018. Instead, SSA issued \$19,090 in questionable payments to the beneficiary and a child receiving benefits on his record until May 2019 when SSA terminated benefits because the beneficiary's earnings increased and the unsupported IRWE no longer reduced the earnings to below SGA.

Employees' incorrect application of the IRWE work incentive resulted in questionable benefit payments of more than \$1.3 million for 44 beneficiaries. An additional three beneficiaries had IRWE application errors, but the errors did not affect the payments. The errors could result in future questionable benefit payments if SSA does not address them. Finally, 17 beneficiaries had over \$813,000 in questionable benefit payments, but TWP, EPE, and/or IRP application and manual processing errors in addition to the incorrect application of the IRWE work incentive could have contributed to the questionable payments (see Appendix B, Table B-2).

Unsuccessful Work Attempts

Of the 200 sampled beneficiaries from the UWA sampling frame, SSA employees incorrectly applied the UWA incentive for 98 (49 percent). The UWA work incentive allows disabled beneficiaries to attempt to work above the SGA level for a short period without the work affecting their benefits. A UWA is an effort to work that:

- lasts no longer than 6 months;²¹
- stops or reduces to below the SGA level because of the impairment²² or the removal of special conditions²³ provided by the beneficiary's employer related to the impairment;²⁴ and
- has a significant break before and after the period of SGA-level work.²⁵

Beneficiaries can provide information about the length of work and reasons for stopping or reducing work. SSA employees consider the statements from the beneficiary to determine whether SGA-level work meets UWA criteria.²⁶

Controls in eWork alert employees to consider applying UWA when a beneficiary has SGA-level work that has lasted 6 months or less; however, eWork does not contain controls, such as screening questions, to ensure employees only apply UWA when the beneficiary has met the other criteria. The alert, without additional controls, may inadvertently lead employees to apply UWA even when the criteria are not met.

For example, in September 2018, an employee applied UWA provisions for a beneficiary who had SGA-level earnings for 6 months. The beneficiary stated he did not change his work level, such as reducing work to below the SGA level. There was also no allegation or evidence on file that supported the beneficiary met the other criteria for UWA for this period of SGA-level work. Since the evidence on file did not support a UWA, SSA should have stopped the beneficiary's disability benefits in October 2017. Instead, SSA issued the beneficiary at least \$44,565 in questionable payments. These questionable payments will continue if SSA does not address the case.

²¹ SSA, *POMS*, DI 11010.145, E (June 27, 2022).

²² SSA employees accept the beneficiary's allegation about why work stops or reduces to below the SGA level if the allegation has a reasonable relationship to the impairment.

²³ Examples of employer-provided special conditions include providing the beneficiary with special equipment or assigning the beneficiary special work suited to the impairment.

²⁴ SSA, *POMS*, DI 11010.145, E (June 27, 2022)

²⁵ SSA, *POMS*, DI 11010.145, C – D (June 27, 2022).

²⁶ SSA, *POMS*, DI 11010.145, B.2 (June 27, 2022).

Employees' incorrect application of the UWA work incentive resulted in questionable benefit payments of more than \$1.4 million for 55 beneficiaries. An additional 24 beneficiaries had UWA errors, but the errors did not affect the payments. The errors could result in future questionable benefit payments if SSA does not address them. Finally, 19 beneficiaries had over \$499,000 in questionable benefit payments, but TWP, EPE, and/or IRP application; manual processing; and multiple entitlement errors in addition to the incorrect application of the UWA work incentive could have contributed to the questionable payments (see Appendix B, Table B–6).

Trial Work Period, Extended Period of Eligibility, and Initial Reinstatement Period Provisions

Of the 600 sampled beneficiaries from all 3 sampling frames, SSA employees incorrectly applied TWP, EPE, and/or IRP provisions for 77 (13 percent). The provisions are intended to allow disabled beneficiaries to return to work as follows:

- The TWP provision allows disabled beneficiaries to return to work for 9 months within a rolling 60-month period without their earnings being evaluated for SGA. The TWP generally begins with the first month a beneficiary earns over a specified threshold and ends with the ninth month of work over that amount within the rolling 60-month period.²⁷
- The EPE begins with the first month following a beneficiary's completion of the TWP. The EPE includes a 36-month re-entitlement period during which disabled beneficiaries' earnings are subject to SGA evaluation. When a beneficiary engages in SGA during the EPE re-entitlement period, SSA suspends disability benefits for months of SGA after a 3-month grace period. When a beneficiary engages in SGA after the 36-month re-entitlement period, the EPE ends and SSA terminates disability benefits.²⁸
- The IRP is applied to beneficiaries reinstated to benefits under the expedited reinstatement provision. This provision allows SSA to reinstate benefits for disabled beneficiaries whose benefits terminated because of SGA if they reapply within 5 years of their prior benefit termination and their earnings are reduced below the SGA level.²⁹ During the IRP, SSA suspends benefits for any month the beneficiary has SGA-level earnings. The IRP is complete once a beneficiary has received a total of 24 months of payable benefits. The 24 months are not necessarily consecutive.³⁰

The eWork application does not have adequate controls, such as questions related to policy requirements, to ensure SSA employees correctly evaluate beneficiaries' earnings to determine TWP months; the EPE and IRP start and end dates; and whether benefits should be paid, suspended, or terminated according to TWP, EPE, and IRP policies.

²⁷ SSA, *POMS*, DI 13010.035 (March 9, 2016) and DI 13010.060 (October 19, 2021). In 2022, any month in which a beneficiary's earnings exceed \$970 is considered a month in the trial work period.

²⁸ SSA, *POMS*, DI 13010.210 (January 13, 2010) and DI 10501.015 (October 19, 2021). In 2022, the monthly SGA amount is \$1,350 for non-blind beneficiaries and \$2,260 for blind beneficiaries.

²⁹ SSA, *POMS*, DI 13050.001 (June 6, 2018).

³⁰ SSA, *POMS*, DI 13050.066 (July 27, 2017).

For example, during a work CDR in May 2019, a beneficiary indicated her SGA-level work was continuing. The beneficiary completed a TWP in June 2018 and had entered the EPE re-entitlement period. Since the beneficiary was past the 3-month grace period, EPE provisions required that SSA suspend benefits for the months of SGA. The SSA employee did not code eWork to reflect the beneficiary's ongoing SGA-level earnings, and eWork did not have controls to ensure the employee correctly recorded earnings information from the beneficiary's statements. As a result, SSA misapplied EPE provisions when it did not suspend the beneficiary's disability benefits. SSA overpaid the beneficiary \$75,480,³¹ which it could have prevented had eWork's controls ensured it correctly applied EPE provisions.

Employees' incorrect application of the TWP, EPE, and IRP provisions resulted in questionable payments to beneficiaries. However, IRWE, UWA, and subsidy application; manual processing; and multiple entitlement errors could also have contributed to the questionable payments (see Appendix C, Table C-4).

eWork's Limited Functionality Causes Errors in Work Review Determinations

SSA employees made errors in manual processing and misapplied multiple entitlement provisions because eWork does not have adequate functionality.

Manual Processing

Of the 600 sampled beneficiaries from all 3 sampling frames, 257 (43 percent) required manual processing for 1 or more work CDRs during the period we reviewed. SSA employees incorrectly processed work CDRs for 42 (16 percent) of these 257 beneficiaries.

SSA acknowledges the potential for inaccuracies in work CDRs that involve manual actions. Absent increased automation of work CDRs, SSA relies on field office employees to monitor the accurate completion of manual updates to beneficiary records. When limitations in eWork functionality prevent automated processing, employees manually review the Agency's mainframe to ensure it is updated with monthly earnings and entitlement information and route processing instructions with decisional information to the processing center (PC). The PC updates beneficiaries' payment records.³² Field office employees monitor the PC's accurate completion of manual updates to beneficiaries' payment records. If the PC does not make accurate or timely updates, field office employees should follow up with the PC.³³

³¹ In a subsequent work CDR, SSA corrected the EPE application error. SSA established the overpayment on the beneficiary's record in April 2022.

³² SSA, POMS, DI 13010.026 (March 7, 2014).

³³ SSA, *Handling eWork's DECEFFECT Tickle Guide* (May 18, 2022).

Field office employees did not monitor the PC's completion of manual updates, as required by policy.³⁴ For example, when a field office was conducting a work CDR for one beneficiary, the employee determined the beneficiary was engaging in SGA, and payments should have been suspended beginning December 2019. Because of a processing exclusion, eWork could not effectuate the work CDR. The field office employee sent processing instructions to the PC in October 2019, but the PC employee who processed the case did not suspend the benefits as directed in the instructions. We found no evidence on file that the field office employee contacted the PC to follow up on the case. SSA overpaid this beneficiary \$41,667,³⁵ which it could have prevented if eWork could have fully automated the CDR or the field office employee had monitored completion of the manual updates.

Employees' incorrect manual actions resulted in questionable payments to beneficiaries. However, IRWE, UWA, and subsidy application; TWP, EPE, and/or IRP application; and multiple entitlement errors could also have contributed to the questionable payments (see Appendix C, Table C-5). SSA will need to incorporate functionality in the system that will replace eWork to increase automation of work CDR processing and effectuation, reducing the need for manual actions. While efforts to increase automation are pending, SSA should provide refresher training to employees to properly monitor PCs' accurate completion of manual updates, as required by policy.

Multiple Entitlement

Of the 600 sampled beneficiaries from all 3 sampling frames, 78 (13 percent) were entitled on multiple records. Of these, SSA made processing errors on work CDRs for 22 (28 percent).

The eWork application does not tell employees when multiple entitlement is involved in a work CDR. Instead, policy instructs employees to use the information in the Agency's mainframe to determine whether beneficiaries are entitled on multiple records, and, if so, to use eWork to process separate work CDRs for each entitlement.³⁶

For example, in February 2019, SSA processed a work CDR for a beneficiary entitled to disability benefits based on his own and his mother's earnings. Since his disability payment was larger, SSA was not paying the beneficiary on his mother's record. When SSA processed the beneficiary's work CDR, it only updated the decisional information on the beneficiary's own record. SSA should have also updated the mother's record to avoid future questionable benefit payments if SSA begins paying the beneficiary under his mother's record.

More than three-fourths of the multiple entitlement errors we identified in our sample review did not result in questionable payments to beneficiaries. However, it is important that SSA take corrective action to ensure the beneficiaries' records contain accurate and complete information to prevent future questionable benefit payments. Further, SSA will need to incorporate functionality in the system that will replace eWork to increase accurate processing of work CDRs that involve multiple entitlements.

³⁴ The field office did not send the PC decisional information and processing instructions for 6 of the 42 beneficiaries.

³⁵ SSA manually effectuated the CDR and established the overpayment on the beneficiary's record in June 2022.

³⁶ SSA, *POMS*, DI 13010.035, H (March 9, 2016) and DI 13010.023, D (November 4, 2021).

Unclear Subsidy Policies and Forms

SSA misapplied the subsidy work incentive for 54 (27 percent) of 200 sampled beneficiaries from the subsidy sampling frame because policies and forms are unclear.³⁷ Employees: (1) applied incorrect subsidy amounts; (2) did not document verification of the subsidy and the subsidy amount; or (3) applied the subsidy work incentive without following up with employers to clarify inconsistent information.

An employer may subsidize the earnings of an employee with a serious medical impairment by paying more in wages than the reasonable value of the work performed. SSA may deduct the amount of subsidized earnings from the beneficiary's monthly countable earnings.

The employer may provide SSA a specific subsidy amount. If the employer does not explain the subsidy amount, SSA employees should send the employer a Form SSA-3033, *Employee Work Activity Questionnaire*.³⁸ If the beneficiary's employer does not return the Form or provide sufficient information, an SSA employee should contact the employer and ask questions that will help determine the beneficiary's time, energy, skills, and responsibilities.³⁹

An SSA employee can use information on the Form SSA-3033 or other information provided by the beneficiary's employer to ascertain the amount of subsidy by comparing beneficiary's work against similar work completed by an individual who does not have a disability and estimating the value of the beneficiary's services according to the prevailing pay scale. When precise monetary evaluation is not feasible, SSA employees may be able to determine the approximate extent of a subsidy based on the beneficiary's lack of productivity.⁴⁰

However, there is no policy that explains how employees should use information provided on the Form SSA-3033 or other information from a beneficiary's employer to determine the correct subsidy period or amount.⁴¹ Additionally, policy does not explain how employees should document subsidy verifications and calculations. Because subsidy policy is unclear and lacks objective criteria, we obtained guidance and policy interpretation from Agency subject matter experts and used this supplemental information as additional criteria to evaluate the accuracy of cases in the subsidy sampling frame.

³⁷ The eWork application does not have adequate controls to ensure employees verify subsidy or determine the correct subsidy amount before they apply the work incentive. Although eWork controls are inadequate, the root cause for SSA's misapplication of the subsidy work incentive is its unclear policy. Before it enhances its systems controls, SSA must clarify its subsidy policy.

³⁸ See Appendix D for the Form SSA-3033.

³⁹ SSA, POMS, DI 10505.010, A.3 (January 31, 2017).

⁴⁰ SSA, POMS, DI 10505.010, A (January 31, 2017).

⁴¹ While the policy provides two examples for subsidizing work attributable to a job coach's assistance, it does not provide examples of calculating subsidies based on employers' productivity assessments. SSA, POMS, DI 10505.010, A.4 (January 31, 2017).

Further, Form SSA-3033 contains insufficient instructions for employers, who often complete the Form with missing or inconsistent information. SSA subject matter experts informed us, “. . . employers have expressed confusion about how to complete the [Form SSA-3033] correctly.” SSA employees must decide whether employers provide enough information on the Form SSA-3033 to make a subsidy determination and when they must contact employers to clarify their responses.

For example, an SSA employee applied subsidy to a beneficiary’s SGA-level earnings based on a Form SSA-3033 that contained conflicting responses from the employer. Some responses on the Form indicated the employer subsidized the beneficiary’s wages. Specifically, the employer answered that the beneficiary worked fewer hours than other workers and productivity was only 80 percent compared to other employees in similar positions. However, the employer provided conflicting information that indicated there was no subsidy—that the beneficiary was paid hourly and at a rate similar to others in a similar position, and the beneficiary performs all of the regular job duties without any special assistance. The SSA employee applied subsidy without clarifying these inconsistencies with the employer. If SSA resolves the inconsistent information on the Form SSA-3033 and determines the beneficiary’s employment was not subsidized, SSA will have overpaid the beneficiary \$3,451 in disability benefits.

Employees’ incorrect application of the subsidy work incentive resulted in questionable benefit payments for at least 19 of the 54 beneficiaries. We did not identify questionable benefit payments related to the incorrect application of subsidy for 28 beneficiaries because either the errors did not affect the beneficiaries’ payment or the inconsistent information in SSA’s records needs to be resolved to determine whether questionable payments exist. These errors could result in future questionable payments if SSA does not address them. An additional seven beneficiaries had TWP, EPE, and/or IRP application; manual processing; and multiple entitlement errors in addition to the incorrect application of the subsidy work incentive that could have contributed to the questionable payments (see Appendix B, Table B–10). SSA should update its subsidy policy to include specific instructions for SSA employees to verify, document, and apply the correct subsidy amount. Further, SSA should update the Form SSA-3033 with clearer instructions for employers on how to complete the Form.

RECOMMENDATIONS

We recommend SSA:

1. Take corrective action on the work CDR errors we identified in our audit.
2. In the system that will replace eWork, incorporate controls to increase the accurate processing of work CDRs and functionality to expand automation of work CDR processing and effectuation, including those involving multiple entitlements, reducing the need for manual actions.
3. While efforts to increase automation are pending, provide refresher training to employees to properly monitor PCs’ accurate completion of manual updates as required by policy.
4. Update subsidy policy to include specific instructions for SSA employees to verify, document, and apply the correct subsidy amount.

5. Update the Form SSA-3033 with clearer instructions for employers on how to complete the Form.

AGENCY COMMENTS

SSA agreed with our recommendations. See Appendix E for the full text of SSA's comments.

A handwritten signature in black ink that reads "Michelle L. Anderson". The signature is written in a cursive, flowing style.

Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A — SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration's (SSA) *Program Operations Manual System*, technical guidance, and reports.
- Interviewed SSA staff and subject matter experts from the Offices of Operations, Systems, and Retirement and Disability Policy.
- Obtained from eWork 1,113,579 records for work continuing disability reviews (CDR) SSA initiated from January 1, 2018 through December 31, 2019 for disabled Old-Age, Survivors and Disability Insurance beneficiaries. From this population, we identified 63,550 beneficiaries who underwent CDRs involving only 1 of the following work incentives:
 - **IRWE Sampling Frame:** 10,825 beneficiaries who had at least 1 work CDR that involved impairment-related work expenses (IRWE);
 - **UWA Sampling Frame:** 29,530 beneficiaries who had at least 1 work CDR that involved an unsuccessful work attempt (UWA); and
 - **Subsidy Sampling Frame:** 23,195 beneficiaries who had at least 1 work CDR that involved a subsidy.¹
- Reviewed a random sample of 200 beneficiaries from each of the 3 sampling frames, for a total of 600 beneficiaries, to determine whether SSA made accurate and supportable work CDR determinations.² To do so, we:
 - Reviewed benefit and payment information, decisional documents, official forms and notices, and any other evidence on file related to the sampled CDRs from the following SSA systems and queries:
 - Master Beneficiary Record;
 - National Directory of New Hires;
 - Summary and Detailed Earnings Queries;
 - Claims File User Interface;
 - eView;
 - Online Retrieval System;
 - Disability Control File; and

¹ To ensure accurate reporting on SSA's application of these work incentives, we excluded from each sampling frame beneficiaries with CDRs that involved multiple work incentives that affect the substantial gainful activity determination within our audit timeframe.

² See Appendix B for our sample results and projections.

- Paperless Read Only Query System.
- Determined whether SSA:
 - accurately applied and documented the work incentive specific to the IRWE, UWA, or subsidy sampling frame;
 - accurately applied trial work period, extended period of eligibility, and/or initial reinstatement period provisions;
 - took appropriate manual actions to effectuate determinations eWork could not automatically process;
 - took appropriate action on all benefit records for disabled beneficiaries entitled to benefits on multiple records; and
 - correctly updated the Disability Control File.
- Identified errors if, at the time of our review, the evidence on file did not support the work review determination or inconsistent information in SSA's records needed to be resolved.

We conducted our review between April 2021 and May 2022. We assessed the reliability of eWork data by (1) performing electronic testing; (2) reviewing existing information about the data and the system that produced them; and (3) tracing a statistically random sample of data to source documents. We determined the data used for this audit were sufficiently reliable to meet our objective.

The principal entity audited was the Office of Operations. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following components and principles as significant to the audit objective:

- Component 1: Control Environment
 - Principle 5: Enforce accountability
- Component 2: Risk Assessment
 - Principle 6: Define objectives and risk tolerances
- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 11: Design activities for the information system
- Component 4: Information and Communication
 - Principle 14: Communicate internally
- Component 5: Monitoring
 - Principle 16: Perform monitoring activities

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives

Appendix B – SAMPLING METHODOLOGY AND RESULTS

Sampling Methodology

We established three sampling frames as detailed in Appendix A. To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used for creating a sample from a sampling frame completely at random. From each of our sampling frames, we selected random samples of 200 beneficiaries for review.¹ Each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the sampling frame, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire sampling frame under review. Our sampling approach for this review ensures our reported projections are statistically sound and defensible.

Table B–1: Sampling Frame and Sample Size

Sampling Frame	Sampling Frame Size	Sample Size
Impairment-related Work Expenses	10,825	200
Unsuccessful Work Attempts	29,530	200
Subsidy	23,195	200
Total	63,550	600

Sample Results and Projections

To determine whether the Social Security Administration (SSA) made accurate and supportable work review determinations involving impairment-related work expenses (IRWE), unsuccessful work attempts (UWA), and subsidy work incentives, we identified errors and questioned costs for beneficiaries in each sampling frame. The questioned costs include questionable benefit payments SSA issued to beneficiaries based on its incorrect work review determinations as of November 2021. We also identified other types of errors related to trial work period (TWP), extended period of eligibility (EPE), initial reinstatement period (IRP), manual processing, and multiple entitlement. For each sampling frame, we grouped the errors into three categories for projection purposes, including beneficiaries with:

1. a work incentive application error only;
2. a work incentive application error and one or more other type of error; and
3. no work incentive error and one or more other type of error.

¹ During our sample review, we found 12 beneficiaries did not meet our audit criteria because they involved a work incentive not represented in the sampling frame. These beneficiaries were included in the sampling frames because they were incorrectly coded as having the work incentive represented by the sampling frame or not coded as having an additional work incentive. We randomly selected replacements for these cases.

Impairment-related Work Expenses Sampling Frame

Of the 200 sampled beneficiaries in the IRWE sampling frame, SSA made errors in work review determinations for 96.

Table B–2: IRWE Sampling Frame Errors

Error Type	Number of Beneficiaries with Errors	Number of Beneficiaries with Questioned Costs	Questioned Costs
IRWE Application Only	47	44	\$1,323,189
IRWE Application and Other Error Types			
IRWE Application and TWP, EPE, and/or IRP Application	13	13	\$688,531
IRWE Application and Manual Processing	4	4	\$124,491
Subtotal	17	17	\$813,022
Other Error Types with no IRWE Application Error			
TWP, EPE, and/or IRP Application	17	13	\$488,845
Manual Processing	11	7	\$40,790
TWP, EPE, and/or IRP Application and Manual Processing	1	1	\$32,241
Multiple Entitlement	2	1	\$1,003
TWP, EPE, and/or IRP Application and Multiple Entitlement	1	1	\$10,406
Subtotal	32	23	\$573,285
Total	96	84	\$2,709,496

SSA incorrectly applied the IRWE work incentive, but did not make another type of error, for 47 of the 200 sampled beneficiaries. This included errors for 44 beneficiaries that resulted in \$1,323,189 in questioned costs (see Table B–2). Accordingly, we estimate SSA incorrectly applied the IRWE work incentive, but did not make another type of error, for 2,544 beneficiaries, which resulted in almost \$72 million in questioned costs (see Table B–3).

Table B–3: IRWE Sampling Frame Projections – Work Incentive Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–2)	47	\$1,323,189
Projected Quantity/Point Estimate	2,544	\$71,617,615
Projection Lower Limit	2,023	\$46,153,415
Projection Upper Limit	3,129	\$97,081,816

Note: All projections are at the 90-percent confidence level.

SSA incorrectly applied the IRWE work incentive and made 1 or more other type of error for 17 of the 200 sampled beneficiaries. These errors resulted in \$813,022 in questioned costs (see Table B–2). Accordingly, we estimate SSA incorrectly applied the IRWE work incentive and made 1 or more other type of error for 920 beneficiaries that resulted in over \$44 million in questioned costs (see Table B–4).

Table B–4: IRWE Sampling Frame Projections – Work Incentive and Other Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–2)	17	\$813,022
Projected Quantity/Point Estimate	920	\$44,004,810
Projection Lower Limit	597	\$16,233,845
Projection Upper Limit	1,346	\$71,775,775

Note: All projections are at the 90-percent confidence level.

SSA made errors related to error types other than the application of the IRWE work incentive for 32 of the 200 sampled beneficiaries. This included errors for 23 beneficiaries that resulted in \$573,285 in questioned costs (see Table B–2). We estimate SSA made errors related to error types other than the application of the IRWE work incentive for 1,732 beneficiaries, which resulted in over \$31 million in questioned costs (see Table B–5).

Table B–5: IRWE Sampling Frame Projections – Other Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–2)	32	\$573,285
Projected Quantity/Point Estimate	1,732	\$31,029,024
Projection Lower Limit	1,291	\$15,383,488
Projection Upper Limit	2,256	\$46,674,559

Note: All projections are at the 90-percent confidence level.

Unsuccessful Work Attempts Sampling Frame

Of the 200 sampled beneficiaries in the UWA sampling frame, SSA made errors in work review determinations for 112.

Table B–6: UWA Sampling Frame Errors

Error Type	Number of Beneficiaries with Errors	Number of Beneficiaries with Questioned Costs	Questioned Costs
UWA Application Only	77	55	\$1,422,278
UWA Application and Other Error Types			
UWA Application and TWP, EPE, and/or IRP Application	9	9	\$202,690
UWA Application and Manual Processing	6	5	\$139,906
UWA Application, Manual Processing, and Multiple Entitlement	2	2	\$46,781
UWA Application and Multiple Entitlement	3	2	\$59,070
UWA Application, TWP, EPE, and/or IRP Application, and Multiple Entitlement	1	1	\$50,781
Subtotal	21	19	\$499,228
Other Error Types with no UWA Application Error			
TWP, EPE, and/or IRP Application	8	4	\$65,679
Manual Processing	1	0	\$0
TWP, EPE, and/or IRP Application and Manual Processing	3	3	\$43,048
Multiple Entitlement	1	0	\$0
TWP, EPE, and/or IRP Application and Multiple Entitlement	1	0	\$0
Subtotal	14	7	\$108,727
Total	112	81	\$2,030,233

SSA incorrectly applied the UWA work incentive, but did not make another type of error, for 77 of 200 sampled beneficiaries. This included errors for 55 beneficiaries that resulted in \$1,422,278 in questioned costs (see Table B–6). We project SSA incorrectly applied the UWA work incentive, but did not make another type of error, for 11,369 beneficiaries, which resulted in almost \$210 million in questioned costs (see Table B–7).

Table B–7: UWA Sampling Frame Projections – Work Incentive Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–6)	77	\$1,422,278
Projected Quantity/Point Estimate	11,369	\$209,999,376
Projection Lower Limit	9,676	\$144,207,343
Projection Upper Limit	13,138	\$275,791,410

Note: All projections are at the 90-percent confidence level.

SSA incorrectly applied the UWA work incentive and made 1 or more other type of error for 21 of 200 sampled beneficiaries. This included errors for 19 beneficiaries that resulted in \$499,228 in questioned costs (see Table B–6). We project SSA incorrectly applied the UWA work incentive and made 1 or more other type of error for 3,101 beneficiaries, which resulted in almost \$74 million in questioned costs (see Table B–8).

Table B–8: UWA Sampling Frame Projections – Work Incentive Errors and Other Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–6)	21	\$499,228
Projected Quantity/Point Estimate	3,101	\$73,711,029
Projection Lower Limit	2,113	\$39,011,730
Projection Upper Limit	4,356	\$108,410,328

Note: All projections are at the 90-percent confidence level.

SSA made errors related to error types other than the application of the UWA work incentive for 14 of 200 sampled beneficiaries. This included errors for seven beneficiaries that resulted in \$108,727 in questioned costs (see Table B–6). We project SSA made errors related to error types other than the application of the UWA work incentive for 2,067 beneficiaries, which resulted in over \$16 million in questioned costs (see Table B–9).

Table B–9: UWA Sampling Frame Projections – Other Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–6)	14	\$108,727
Projected Quantity/Point Estimate	2,067	\$16,053,556
Projection Lower Limit	1,267	\$3,183,233
Projection Upper Limit	3,163	\$28,923,880

Note: All projections are at the 90-percent confidence level.

Subsidy Sampling Frame

Of the 200 sampled beneficiaries in the subsidy sampling frame, SSA made errors in work review determinations for 82 beneficiaries.

Table B–10: Subsidy Sampling Frame Errors

Error Type	Number of Beneficiaries with Errors	Number of Beneficiaries with Questioned Costs	Questioned Costs
Subsidy Application Only	40	19	\$530,529
Subsidy Application Errors and Other Error Types			
Subsidy Application and TWP, EPE, and/or IRP Application	6	3	\$133,160
Subsidy Application and Manual Processing	5	3	\$107,029
Subsidy Application, TWP, EPE, and/or IRP Application, and Manual Processing	1	0	\$0
Subsidy Application and Multiple Entitlement	2	1	\$23,983
Subtotal	14	7	\$264,172
Other Error Types with no Subsidy Application Error			
TWP, EPE, and/or IRP Application	11	4	\$35,457
Manual Processing	5	1	\$31,268
TWP, EPE, and/or IRP Application and Manual Processing	3	2	\$22,958
Multiple Entitlement	7	1	\$95
TWP, EPE, and/or IRP Application and Multiple Entitlement	2	1	\$37,002
Subtotal	28	9	\$126,780
Total	82	35	\$921,481

SSA incorrectly applied the subsidy work incentive, but did not make another type of error, for 40 of 200 sampled beneficiaries. This included errors for 19 beneficiaries that resulted in \$530,529 in questioned costs (see Table B–10). We project SSA incorrectly applied the subsidy work incentive, but did not make another type of error, for 4,639 beneficiaries, which resulted in almost \$62 million in questioned costs (see Table B–11).

Table B–11: Subsidy Sampling Frame Projections – Work Incentive Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–10)	40	\$530,529
Projected Quantity/Point Estimate	4,639	\$61,528,136
Projection Lower Limit	3,589	\$27,052,984
Projection Upper Limit	5,845	\$96,003,287

Note: All projections are at the 90-percent confidence level.

SSA incorrectly applied the subsidy work incentive and made 1 or more other type of error in 14 of 200 sampled beneficiaries. This included errors for seven beneficiaries that resulted in \$264,172 in questioned costs (see Table B–10). We project SSA incorrectly applied the subsidy work incentive and made 1 or more other type of error for 1,624 beneficiaries, which resulted in questioned costs totaling almost \$31 million (see Table B–12).

Table B–12: Subsidy Sampling Frame Projections – Work Incentive Errors and Other Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–10)	14	\$264,172
Projected Quantity/Point Estimate	1,624	\$30,637,313
Projection Lower Limit	996	\$5,292,544
Projection Upper Limit	2,484	\$55,982,082

Note: All projections are at the 90-percent confidence level.

SSA made errors related to error types other than the subsidy work incentive for 28 of 200 sampled beneficiaries. This included errors for nine beneficiaries that resulted in \$126,780 in questioned costs (see Table B–10). We project SSA made errors related to error types other than the subsidy work incentive for 3,247 beneficiaries, which resulted in questioned costs totaling almost \$15 million (see Table B–13).

Table B–13: Subsidy Sampling Frame Projections – Other Errors

Description	Number of Beneficiaries with Errors	Questioned Costs
Sample Results (see Table B–10)	28	\$126,780
Projected Quantity/Point Estimate	3,247	\$14,703,322
Projection Lower Limit	2,355	\$3,680,182
Projection Upper Limit	4,329	\$25,726,462

Note: All projections are at the 90-percent confidence level.

Combined Projections

We project SSA made errors on work review determinations for 31,243 beneficiaries (see Table B–14) that resulted in over \$553 million in questioned costs (see Table B–15).

Table B–14: Error Quantity Projections by Sampling Frame – Total Errors

Sampling Frame	Work Incentive Errors	Work Incentive and Other Errors	Other Errors	Sampling Frame Total
IRWE (see Table B–3, Table B–4, and Table B–5)	2,544	920	1,732	5,196
UWA (see Table B–7, Table B–8, and Table B–9)	11,369	3,101	2,067	16,537
Subsidy (see Table B–11, Table B–12, and Table B–13)	4,639	1,624	3,247	9,510
Total	18,552	5,645	7,046	31,243

Table B–15: Questioned Cost Projections by Sampling Frame

Sampling Frame	Work Incentive Errors	Work Incentive and Other Errors	Other Errors	Sampling Frame Total
IRWE (see Table B–3, Table B–4, and Table B–5)	\$71,617,615	\$44,004,810	\$31,029,024	\$146,651,449
UWA (see Table B–7, Table B–8, and Table B–9)	\$209,999,376	\$73,711,029	\$16,053,556	\$299,763,961
Subsidy (see Table B–11, Table B–12, and Table B–13)	\$61,528,136	\$30,637,313	\$14,703,322	\$106,868,771
Total	\$343,145,127	\$148,353,152	\$61,785,902	\$553,284,181

Appendix C – ERRORS BY TYPE

We reviewed a random sample of 200 beneficiaries from each of 3 sampling frames (see Appendix A), for a total of 600 beneficiaries, to determine whether the Social Security Administration (SSA) made accurate and supportable work review determinations. We identified errors related to impairment-related work expenses (IRWE); unsuccessful work attempt (UWA); subsidy; trial work period (TWP), extended period of eligibility (EPE), and initial reinstatement period (IRP); manual processing; and multiple entitlement. Of the 200 sampled beneficiaries from the IRWE sampling frame, SSA employees incorrectly applied IRWE for 64.

Table C–1: IRWE Application Errors

Error Type (see Table B–2)	Number of Beneficiaries
IRWE Application Only	47
IRWE Application and TWP, EPE, and/or IRP Application	13
IRWE Application and Manual Processing	4
Total	64

Of the 200 sampled beneficiaries from the UWA sampling frame, SSA employees incorrectly applied the UWA work incentive for 98.

Table C–2: UWA Application Errors

Error Type (see Table B–6)	Number of Beneficiaries
UWA Application Only	77
UWA Application and TWP, EPE, and/or IRP Application	9
UWA Application and Manual Processing	6
UWA Application, Manual Processing, and Multiple Entitlement	2
UWA Application and Multiple Entitlement	3
UWA Application, Multiple Entitlement, and TWP, EPE, and/or IRP Application	1
Total	98

Of the 200 sampled beneficiaries from the subsidy sampling frame, SSA employees incorrectly applied the subsidy work incentive for 54.

Table C–3: Subsidy Application Errors

Error Type (see Table B–10)	Number of Beneficiaries
Subsidy Application Only	40
Subsidy Application and TWP, EPE, and/or IRP Application	6
Subsidy Application and Manual Processing	5
Subsidy Application, TWP, EPE, and/or IRP Application, and Manual Processing	1
Subsidy Application and Multiple Entitlement	2
Total	54

Of the 600 sampled beneficiaries from all 3 sampling frames, SSA employees incorrectly applied TWP, EPE, and/or IRP provisions for 77.

Table C–4: TWP, EPE, and IRP Application Errors by Sampling Frame

Error Type	Number of Beneficiaries
IRWE Sampling Frame (see Table B–2)	
IRWE Application and TWP, EPE, and/or IRP Application	13
TWP, EPE, and/or IRP Application	17
TWP, EPE, and/or IRP Application and Manual Processing	1
TWP, EPE, and/or IRP Application and Multiple Entitlement	1
UWA Sampling Frame (see Table B–6)	
UWA Application and TWP, EPE, and/or IRP Application	9
UWA Application, TWP, EPE, and/or IRP Application, and Multiple Entitlement	1
TWP, EPE, and/or IRP Application	8
TWP, EPE, and/or IRP Application and Manual Processing	3
TWP, EPE, and/or IRP Application and Multiple Entitlement	1
Subsidy Sampling Frame (see Table B–10)	
Subsidy Application and TWP, EPE, and/or IRP Application	6
Subsidy Application, TWP, EPE, and/or IRP Application, and Manual Processing	1
TWP, EPE, and/or IRP Application	11
TWP, EPE, and/or IRP Application and Manual Processing	3
TWP, EPE, and/or IRP Application and Multiple Entitlement	2
Total	77

Of the 600 sampled beneficiaries, 257 required manual processing for 1 or more work continuing disability reviews (CDR) within the period we reviewed. Of these 257 beneficiaries, SSA employees incorrectly processed CDRs for 42.

Table C–5: Manual Processing Errors by Sampling Frame

Error Type	Number of Beneficiaries
IRWE Sampling Frame (see Table B–2)	
IRWE Application and Manual Processing	4
Manual Processing	11
TWP, EPE, and/or IRP Application and Manual Processing	1
UWA Sampling Frame (see Table B–6)	
UWA Application and Manual Processing	6
UWA Application, Manual Processing, and Multiple Entitlement	2
Manual Processing	1
TWP, EPE, and/or IRP Application and Manual Processing	3
Subsidy Sampling Frame (see Table B–10)	
Subsidy Application and Manual Processing	5
Subsidy Application, TWP, EPE, and/or IRP Application, and Manual Processing	1
Manual Processing	5
TWP, EPE, and/or IRP Application and Manual Processing	3
Total	42

Of the 600 sampled beneficiaries from all 3 sampling frames, 78 were entitled on multiple records. Of these 78 beneficiaries, SSA made processing errors on work CDRs for 22.

Table C–6: Multiple Entitlement Errors by Sampling Frame

Error Type	Number of Beneficiaries
IRWE Sampling Frame (see Table B–2)	
Multiple Entitlement	2
TWP, EPE, and/or IRP Application and Multiple Entitlement	1
UWA Sampling Frame (see Table B–6)	
UWA Application, Manual Processing, and Multiple Entitlement	2
UWA Application and Multiple Entitlement	3
UWA Application, TWP, EPE, and/or IRP Application, and Multiple Entitlement	1
Multiple Entitlement	1
TWP, EPE, and/or IRP Application and Multiple Entitlement	1
Subsidy Sampling Frame (see Table B–10)	
Subsidy Application and Multiple Entitlement	2
Multiple Entitlement	7
TWP, EPE, and/or IRP Application and Multiple Entitlement	2
Total	22





Appendix D – FORM SSA-3033

Form SSA-3033 (08-2021) UF
Discontinue Prior Editions
Social Security Administration


Page 1 of 5
OMB No. 0960-0483

Social Security Administration Retirement, Survivors and Disability Insurance Supplemental Security Income

- 

Date: 
Claim Number: 
Social Security Number: 
Worker's Name: 

Dear Sir or Madam:

We are writing to you about . This individual has indicated to us (s)he worked for your organization, but that the work was either limited in nature, subsidized, or ultimately unsuccessful. (S)he has given us permission to reach out to you to help us determine whether his or her work activity is/was subsidized or was an unsuccessful work attempt as described in our Social Security regulations. Please assist us by completing the enclosed questionnaire. The information you provide will not be shared with other agencies and is no way a negative reflection on the employee or you as the employer.

Information About Subsidy

A subsidy exists when an employer willingly pays more in wages than the value of the actual services performed. This is usually for humanitarian reasons. A subsidy can be reflected by giving the employee:

- extra assistance,
- full wages for lower quality or quantity than standard, or
- fewer and/or easier duties than usual for that position.

Information about Unsuccessful Work Attempt

An unsuccessful work attempt may exist if the employee had frequent absences, performed unsatisfactorily, and worked for six months or less.

Social Security Number: _____

What We Need You To Do

Please have _____ direct supervisor or another person having direct knowledge of the employee's work activity complete the work activity questionnaire. We would appreciate it if you would complete, sign and return the questionnaire to this office within 7 days using the enclosed envelope. If you have any questions, or if you would rather provide this information over the phone, please call _____ and ask for _____.

Thank you for your time and assistance.

Manager/Adjudicator Name
Position Title

Enclosure:

Work Activity Questionnaire

Social Security Number: _____

Privacy Act Statement
Collection and Use of Personal Information

Sections 221, 223(d), 1612(b)(4), and 1614(a)(3) of the Social Security Act, as amended, allow us to collect this information. Furnishing us this information is voluntary. However, failing to provide all or part of the information may prevent an accurate and timely decision on any claim filed.

We will use the information you provide to validate unsuccessful work attempts and subsidies, and to determine benefits eligibility. We may also share the information for the following purposes, called routine uses:

- To contractors and other Federal agencies, as necessary, for the purpose of assisting us in the efficient administration of our programs. We will disclose information under this routine use only in situations in which we may enter into a contractual or similar agreement to obtain assistance in accomplishing an SSA function relating to this system of records, and
- To claimants, prospective claimants (other than the data subject), and their authorized representatives or representative payees, to the extent necessary to pursue Social Security claims; to representative payees, when the information pertains to individuals for whom they serve as representative payees, for the purpose of assisting us in administering representative payment responsibilities under the Social Security Act; and to representative payees, for the purpose of assisting them in performing their duties as payees, including receiving and accounting for benefits for individuals for whom they are payees.

In addition, we may share this information in accordance with the Privacy Act and other Federal laws. For example, where authorized, we may use and disclose this information in computer matching programs, in which our records are compared with other records to establish or verify a person's eligibility for Federal benefit programs and for repayment of incorrect or delinquent debts under these programs.

A list of additional routine uses is available in our Privacy Act System of Records Notices (SORN) 60-0089, Claims Folders System, as published in the Federal Register (FR) on October 31, 2019, at 84 FR 58422; 60-0090, Master Beneficiary Record, as published in the FR on January 11, 2006, at 71 FR 1826; and 60-0103, Supplemental Security Income Record and Special Veterans Benefits, at 71 FR 1830. Additional information, and a full listing of all of our SORNs, is available on our website at www.ssa.gov/privacy.

Paperwork Reduction Act Statement - This information collection meets the requirements of 44 U.S.C. § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. We estimate that it will take about 15 minutes to read the instructions, gather the facts, and answer the questions. *Send only comments regarding this burden estimate or any other aspect of this collection, including suggestions for reducing this burden to: SSA, 6401 Security Blvd, Baltimore, MD 21235-6401.*

Work Activity Questionnaire

Business Name:			
Employee's Job Title:			
Hourly Wage:		Hours per Week:	
Date Work Started:		Date Work Stopped:	

Section 1

1. Does the employee complete all the usual duties required for his/her position?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Is the employee able to complete all of the job duties without special assistance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the employee regularly report for work as scheduled?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. On average, does the employee complete his/her work in the same amount of time as employees in similar positions?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Please indicate the type(s) of special assistance, if any, the employee receives on the job that is not regularly given to other employees. (Check all that apply)	
<input type="checkbox"/> Fewer or easier duties <input type="checkbox"/> Irregular hours <input type="checkbox"/> Special transportation	
<input type="checkbox"/> Less hours <input type="checkbox"/> More breaks/rest periods <input type="checkbox"/> Frequent absences	
<input type="checkbox"/> Lower production standards <input type="checkbox"/> Extra help/supervision <input type="checkbox"/> Lower quality standards	
<input type="checkbox"/> Special equipment	
6. Based on the information above, approximately how would you rate the productivity of the employee compared to other employees in similar positions and similar pay rates?	
<input type="checkbox"/> 50% or less of other employees' productivity <input type="checkbox"/> 80% of other employees' productivity	
<input type="checkbox"/> 60% of other employees' productivity <input type="checkbox"/> 90% of other employees' productivity	
<input type="checkbox"/> 70% of other employees' productivity <input type="checkbox"/> 100% of other employees' productivity	
7. Are you paying the employee more per hour than you would another employee in a similar position?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, what would you pay another employee in a similar position per hour?	

Social Security Number:

Section 2**Unsuccessful Work Attempt**

1. Was the person frequently absent from work?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Did the person do the work under special conditions such as with extra help/supervision, fewer/easier duties, frequent rest periods, or lower production?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the employee regularly report for work as scheduled?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section 3

Signature and Title		
Date:		(Telephone Number):

Appendix E – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 21, 2022

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

From: Scott Frey
Chief of Staff

Subject: Office of the Inspector General Draft Report “Work Review Determinations for Disabled Beneficiaries” (A-07-21-51012)—INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102).



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