

SOCIAL SECURITY HIGHLIGHTS



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Over the past few months, the Social Security Administration (SSA) has taken a major public relations hit over its “clawback” policy, which involves how they take back benefits from overpaid beneficiaries. We discussed the problem in detail back in early January.

After a public outcry, the SSA has been forced to relent and change their long-standing policy.


On November 5, 2023, the show *60 Minutes* focused its investigative gaze on the SSA. The segment, hosted by Anderson Cooper, pointed out that a million or so people a year get something in their mail they weren’t expecting: a bill from the SSA. The surprise bill arrives because the SSA miscalculated their benefits and paid them too much.

The *60 Minutes* episode highlights some examples where low-income taxpayers are facing bills they simply can’t afford. They cited an older Chicago man who was approved for Social Security Disability, but then

recovered enough that he was able to go back to work. He did the right thing when he went back to work: He notified the SSA on the presumption that they would adjust his benefit accordingly. But it took several years for them to figure it all out, and in the meantime, the disability checks kept coming. By the time they reconciled everything, the SSA sent him an invoice for over \$50,000, money he didn’t have.¹

While discussing this and a few other similar examples, prominent Social Security expert Laurence Kotlikoff made one interesting point: When it comes to the “clawback” of benefits paid in error, there is no statute of limitations. The show included an example of someone who had been overpaid nearly twenty years earlier. In spite of the timeframe, the SSA was still trying to claw their money back.²

But everything changed on March 20, 2024, when the SSA announced an end to what it referred to as “clawback cruelty.”³ From now on, the SSA will no longer intercept 100 percent of overpaid amounts by default. Instead, they will now generally withhold 10 percent of future monthly benefits.⁴



Additionally, the SSA says they will be shifting the burden of proof over who was at fault for the overpayments. In previous cases, the claimant had to prove that they weren't at fault. That's now the default assumption. If it's not true, the SSA has to prove it.⁵

They have also announced that they will be allowing more flexibility in working with people on developing a repayment plan, and they will be making it easier to request a waiver of repayment.⁶ This could be valuable for people, like the examples cited on *60 Minutes*, who were not at fault but simply can't afford to pay the money back.

The bottom line: The SSA is listening and is willing to make changes as needed. Now let's hope they can find a way to fix the Trust Fund.

¹Cooper, Anderson. "How Social Security's overpayment mistakes can become your responsibility." <https://www.cbsnews.com/news/social-security-overpayment-mistakes-can-become-your-responsibility-60-minutes-transcript/> (accessed December 11, 2023)

²Cooper, Anderson. "How Social Security's overpayment mistakes can become your responsibility." <https://www.cbsnews.com/news/social-security-overpayment-mistakes-can-become-your-responsibility-60-minutes-transcript/> (accessed December 11, 2023).

³Hudak, Amy. "Major changes in how Social Security overpayments are handled, following 11 Investigates reporting." Yahoo News. <https://www.yahoo.com/news/major-changes-social-security-overpayments-225542242.html> (accessed March 22, 2024).

⁴Buckner, Jeffrey. "Social Security Announces Four Key Updates to Address Improper Payments." Social Security Matters, Social Security Administration. <https://blog.ssa.gov/social-security-announces-four-key-updates-to-address-improper-payments/> (accessed March 22, 2024).

⁵Buckner, Jeffrey. "Social Security Announces Four Key Updates to Address Improper Payments." Social Security Matters, Social Security Administration. <https://blog.ssa.gov/social-security-announces-four-key-updates-to-address-improper-payments/> (accessed March 22, 2024).

⁶Buckner, Jeffrey. "Social Security Announces Four Key Updates to Address Improper Payments." Social Security Matters, Social Security Administration. <https://blog.ssa.gov/social-security-announces-four-key-updates-to-address-improper-payments/> (accessed March 22, 2024).

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