**Overpayments**

Overpayments occur when beneficiaries receive monthly benefit checks they were not entitled to receive or monthly Supplemental Security Income (SSI) checks that are larger than they were entitled to receive. Unfortunately, overpayments are very common for recipients of Social Security disability benefits who go to work.

Overpayments may happen for a variety of reasons:

1. Not reporting wages.
2. Reporting wages but they are not entered into the system correctly or timely.

The most common reasons for overpayments are:

1. Social Security Disability Income (SSDI) benefits ceasing because of the program’s work-related rules;
2. SSDI benefits ceasing because of the person’s medical improvement;
3. SSI recipients having excess resources; and
4. SSI recipients having excess earnings.
   1. When working on SSI—not taking into account the months with 3 (or 5) pay periods.

Many factors contribute to the frequency of overpayments, including:

1. The Social Security Administration’s rules governing the impact of work and earnings are complex. The rules differ depending on whether a person is receiving SSDI, SSI or both. Individuals receiving both types of benefits are referred to as concurrent beneficiaries.
2. Multiple factors such as changes in earned income, assets, or even marital status can affect eligibility for, or the amount of, a person’s monthly SSI benefit.
3. Beneficiaries often fail to report their earnings to Social Security.
4. Work backlogs for Social Security claims representatives often result in delayed processing of reported earnings.

What do I do if I have an overpayment?

1. Request for Waiver of Overpayment- if you were not at fault for the overpayment and paying it back (recoupment) would cause you financial hardship.
   1. Request reconsideration of Social Security’s overpayment decision, if the beneficiary believes he/she was not overpaid (i.e., by filing Form SSA 561 or sending a letter to Social Security within 60 days of receipt of the overpayment notice);
   2. Request that Social Security waive (agree not to collect) the overpayment (i.e., by filing Form SSA 632).
2. Request that Social Security give the beneficiary permission to pay back the amount at a different rate (i.e., by filing Form SSA 632); or
3. File an Appeal – If you appeal within 30 days of the notice of overpayment, the SSA won’t collect the money they say you owe until a there’s final decision. If you appeal within 30-60 days of the notice, the SSA is allowed to start recouping the money owed while a decision is pending.

Amount of recoupment:

* For SSDI or Retirement, the SSA is entitled to withhold your entire benefit.
* For SSI, up to 10% of your monthly benefit can be withheld.

You can negotiate a payment plan to lower the amount taken until the overpayment is recouped.

Best way to avoid substantial overpayments:

1. Report your wages EVERY month (in person or via verified mail)
2. Understand how SSA handles earnings (different for SSI and SSDI) and do the math yourself. Run the formula for SSI each month and/or keep track of your trial work months and extended month of eligibility for SSDI.
3. Beneficiaries should report their earnings directly to their claims representatives and request written documentation of their earnings as reported each month. Concurrent beneficiaries should report their earnings to the claims representatives for each entitlement program.
4. If you have Impairment Related Work Expenses, submit the receipts (and clearly mark as IRWEs) when you submit your pay stubs.
5. If you are using other work incentives, such as Student Earned Income Exclusion, clearly mark that on all checks.
6. If a beneficiary thinks he/she should no longer get monthly benefits, the beneficiary may want to simply keep all future checks or deposit them into a separate bank account to collect interest until it is clear whether or not benefits should have been suspended. SSI recipients and those with Medicaid coverage may want to consult with a benefits planner before depositing these checks to ensure that these funds will not be counted towards the resource limit applicable to eligibility for these programs.
7. Request a BPQY from SSA EVERY year and review to make sure it is correct.

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