

SSI or SSD Overpayments

What is an Overpayment?

Overpayments occur when Social Security determines that a Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) beneficiary has received more benefits than they should have. The most common cause for an overpayment is when the person receiving benefits goes to work and either fails to report it, or the report isn't documented timely by Social Security.

What Happens Next?

When a person gets an overpayment notice, the notice will typically state why they have been overpaid, how much they owe, and the overpayment time frame. Usually, the overpayment will be repaid by withholding benefits monthly until the overpaid amount is recovered. The client will be notified in writing roughly 60 days before the withholding starts that Social Security plans to start withholding. In Social Security Disability Insurance cases, SSA can withhold the entire benefit until the overpayment amount is recovered. In Supplemental Security Income cases, SSA cannot withhold more than 10% of the total SSI check monthly.

If the Client Agrees, but Repayment is a Hardship

If the client agrees that there is an overpayment but withholding their benefits will be a financial hardship, they can request that a lower amount be withheld. In SSI cases, the fact that the client receives SSI is proof that the withholding of benefits would be a hardship, and the client can arrange to have less than 10% withheld. In SSDI cases, Social Security will ask for proof of other income and expenses to determine hardship. If the client's income is less than their monthly expenses without their benefits, they will meet the criteria for financial hardship, and Social Security will work out a payment arrangement to withhold less in benefits per month.

If the Client Disagrees

If the client disagrees with the overpayment and wants to appeal, they have a few options.

Request for Reconsideration

The reconsideration request states that the client doesn't feel like they're overpaid or the amount that Social Security states they owe is incorrect. If the client wants their benefits to continue during their appeal, they should file a request for reconsideration with Social Security within ten (10) days of being notified of the overpayment. The client's benefits will remain unchanged until a decision is made on the appeal. SSA assumes that the letter is received within five days of mailing.

► [Request for Reconsideration](#)

Request for Waiver of Overpayment

Clients can request a waiver of their overpayment if they agree that they were overpaid but feel that the overpayment is unfair. There are two main criteria for getting an overpayment waived.

- The client is without fault in causing the overpayment
- The client cannot afford to repay the overpayment

There's no time limit to file the waiver. It can be filed at any time, even if the overpayment has started to be recouped. However, the burden of proof of without fault rests with the client. Request for Waiver Request for Payment Arrangement

► [Request for Waiver](#)

► [Request for Payment Arrangement](#)

Making the Case for an Appeal

It's recommended that clients report their initial return to work to their SSI/DI claims representative no later than the 10th of the month following the month they began to work. They should write their Social Security number on all paystubs and correspondence sent into their local SSA office and save copies of everything for their records. Initial reports should be done by certified mail, as the receipt the client receives back serves as documentation that Social Security received the wage

report.

Ongoing wage reporting for SSI recipients should be done monthly to avoid overpayments, and wages need to be reported by the 10th of each month for the preceding month. Options for monthly reporting include certified mail, the SSI wage reporting app, and online at [My SSA Account](#). SSDI recipients only need to report their initial return to work and only need to report after that if there is a change in hours, wages, or the use of work incentives. Clients should check with their local Social Security offices to determine that specific office's preferred wage reporting method.

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Administrative Tolerance Waiver

The Social Security Administration has set specific tolerances restricting the amount of activity on certain debt or overpayment classes. The overpaid individual can request this waiver if their original overpayment balance is less than \$1,000. If the person isn't at fault, the overpayment will automatically be waived in 99% of cases without the client having to go through an appeal procedure or fill out a waiver. All the person must do is request the administrative waiver in writing, and the overpayment will not be recovered. Administrative waivers are usually allowed once,

so if the individual is overpaid again, they'll still have to go through the standard appeal procedure.

If a Client Needs to Appeal

The agency that can assist with appeals of overpayments is the Virginia Department of Protection and Advocacy. They can be reached at 804-225-2042 or 1-800-552-3962. If a client receives VR services, they may also be eligible to receive assistance from a Work Incentives Specialist Advocate (WISA) and should discuss this with their VR counselor. Individuals who are not receiving VR services but the Developmental Disability (DD) waiver may be eligible for WISA services as part of their Medicaid benefits package. They should discuss this with their Medicaid caseworker.

This article was contributed by Michael Klinger, Work Incentives Specialist for the Virginia Department for Aging and Rehabilitative Services. For more information or any other benefits related questions, contact Michael Klinger at 434-989-5782 or Michael.klinger@dars.virginia.gov.

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