



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Congressional Response Report*

Issuance of Social Security  
Statements

*A-03-18-50724 | February 2019*

**OIG** Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

February 14, 2019

The Honorable Tom Reed  
Ranking Member, Subcommittee on Social Security  
Committee on Ways and Means  
House of Representatives  
Washington, DC 20515

Dear Mr. Reed:

In a June 12, 2018 letter, Sam Johnson, former Chairman, and Representative Vern Buchanan asked that we review how the Social Security Administration (SSA) mails Social Security Statements and who receives them.

My office is committed to combating fraud, waste, and abuse in SSA's operations and programs. The report highlights various facts pertaining to the issues raised in their letter. To ensure SSA is aware of the information provided to your office, we are forwarding a copy of this report to the Agency.

If you have any questions concerning this matter, please call me or have your staff contact Walter Bayer, Congressional and Intragovernmental Liaison, at (202) 358-6319.

Sincerely,



Gail S. Ennis  
Inspector General

Enclosure

cc:  
Commissioner of Social Security

**OIG** Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

February 14, 2019

The Honorable Vern Buchanan  
House of Representatives  
Washington, DC 20515

Dear Mr. Buchanan:

In a June 12, 2018 letter, you and Sam Johnson, former Chairman, Subcommittee on Social Security, Committee on Ways and Means, asked that we review how the Social Security Administration (SSA) mails Social Security Statements and who receives them.

My office is committed to combating fraud, waste, and abuse in SSA's operations and programs. Thank you for bringing your concerns to the attention of the Office of the Inspector General. The report highlights various facts pertaining to the issues raised in your letter. To ensure SSA is aware of the information provided to your office, we are forwarding a copy of this report to the Agency.

If you have any questions concerning this matter, please call me or have your staff contact Walter Bayer, Congressional and Intragovernmental Liaison, at (202) 358-6319.

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# Issuance of Social Security Statements

## A-03-18-50724



February 2019

Office of Audit Report Summary

### Objective

To answer congressional questions about the Social Security Administration's (SSA) issuance of Social Security Statements.

### Background

SSA provides *Social Security Statements* (Statement) to individuals who worked under the Social Security program. The Statement includes information about the individual's reported earnings and future Social Security benefits for the individual and his/her family. Section 1143 of the *Social Security Act* requires that SSA send Statements to individuals who are age 25 and older, who are not receiving Social Security benefits based on their own earnings records, and for whom the Agency can obtain current addresses. SSA mails the Statement about 3 months before the individual's birthday.

In May 2012, SSA implemented *my Social Security*, an online account where registered users can access their Statements online at any time. As of Fiscal Year (FY) 2018, there were about 38.8 million registered users of *my Social Security*. Because registered users can access their Statements anytime via *my Social Security*, SSA excludes them from receiving automatic Statements.

### Results of Review

In FYs 2010 to 2018, SSA mailed approximately 381 million paper Statements (both automatic and on request). The Agency mailed about 252 million paper Statements in FYs 2010 to 2013 primarily to individuals who were age 25 and older and not receiving Social Security benefits. Between FYs 2014 and 2018, citing budgetary issues, the Agency reduced the number of paper Statements by modifying the age groups to whom SSA mailed Statements. This resulted in the Agency mailing only about 129 million paper Statements during this time period.

Moreover, the number of individuals who accessed their Statements online via *my Social Security* increased every year, ranging from 1.9 million in FY 2012 to 16.8 million in FY 2018. However, the percentage of registered *my Social Security* users who accessed their Statements online declined annually from 96 percent in FY 2012 to 43 percent in FY 2018.

The costs for printing and mailing paper Statements decreased from FY 2010 to 2018 because the Agency changed the age groups to whom it mailed paper Statements. In FY 2010, SSA spent about \$65 million to print and mail approximately 155 million Statements, and, in FY 2018, the Agency spent about \$7.6 million to print and mail about 14.6 million Statements.

Finally, the contract awarded to print and mail paper Statements allowed the Agency to vary the number of Statements mailed annually. The 5-year contract, scheduled to expire in August 2019, estimated the Agency would order 45 million Statements annually. However, it allowed for a 25-percent increase or decrease in Statements to allow flexibility if SSA decided to modify the age groups to whom it mailed Statements and avoid re-soliciting the contract.

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## ABBREVIATIONS

Form SSA-7004-SM-OP1	<i>Request for an Earnings and Benefit Estimate Statement</i>
Form SSA-7005-SM-SI	<i>Social Security Statement</i>
FY	Fiscal Year
OIG	Office of the Inspector General
SSA	Social Security Administration
Statement	Social Security Statement
U.S.C.	United States Code

## OBJECTIVE

Our objective was to answer congressional questions about the Social Security Administration's (SSA) Social Security Statements.

## BACKGROUND

Section 1143 of the *Social Security Act*,<sup>1</sup> as amended, requires that SSA provide a *Social Security Statement* (Statement)<sup>2</sup> annually, without request, to all individuals age 25 and older who are not receiving Social Security benefits based on their own earning records and for whom SSA can determine current mailing addresses.<sup>3</sup> The purpose of the Statement is threefold: inform individuals about their Social Security benefits, help individuals plan for their financial futures, and ensure individuals' earnings records are accurate.<sup>4</sup> The Statement provides each worker

- an estimate of the monthly retirement benefit the worker would receive at full retirement age, age 70, and age 62;
- an estimate of the amount of monthly disability benefit the worker could receive should he/she become disabled;
- an estimate of the monthly benefit the worker's family could receive should the worker die;
- a year-by-year display of the worker's earnings that have been reported to Social Security; and
- a total of the Social Security taxes paid by the worker and his/her employer(s) over the worker's career.<sup>5</sup>

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<sup>1</sup> *Social Security Act*, 42. U.S.C § 1320b-13.

<sup>2</sup> *Social Security Statement*, (Form SSA-7005-SM-SI).

<sup>3</sup> SSA obtains addresses for automatic Statements from the Internal Revenue Service's taxpayer Individual Master File and revenue agencies in Puerto Rico and the Virgin Islands for individuals living in those locations who have not filed Federal tax returns.

<sup>4</sup> *Social Security Statement* (Form SSA-7005-SM-SI).

<sup>5</sup> See Appendix A for an example of the Statement. In 2006, SSA also began sending automatic Statements to individuals who had only non-covered earnings. The Statement highlights information about the Windfall Elimination Provision and Government Person Offset, which reduce benefits for individuals or their dependents whose work histories include jobs for which they were entitled to pensions and were not subject to Social Security payroll taxes.

Since August 1988, SSA has provided statements of recorded earnings and estimates of Social Security benefits to Social Security numberholders upon request.<sup>6</sup> In Fiscal Year (FY) 1995, SSA started issuing automatic Statements to eligible individuals age 60 and older and continued these mailings until FY 1999. In FY 2000, SSA expanded the program to all individuals age 25 and older and began mailing the annual automatic Statements to eligible individuals about 3 months before their birthdays. The automatic Statement does not affect a worker's right to request a Statement at any time. SSA provides the information on Statements to a commercial contractor which prints and mails automatic Statements.<sup>7</sup> The on-request Statements are printed and mailed by SSA's print-mail facility.

In May 2012, SSA implemented **my Social Security**, an online account where registered users can access important information and SSA services at any time. To establish a **my Social Security** account, an individual must be at least age 18 and have a valid email address, Social Security number, and U.S. mailing address. As of FY 2018, there were about 38.8 million registered **my Social Security** users. Because registered users can access their Statements anytime via **my Social Security**, SSA excludes them from receiving automatic Statements by mail even if they never accessed the Statement online. When **my Social Security** was implemented in May 2012, customers were given an option to receive paper Statements. However, this delivery preference was eliminated in September 2012. Therefore, anyone who signed up after September 2012 does not receive paper Statements.

On June 12, 2018, Sam Johnson, former Chairman, and Vern Buchanan, former Member, Subcommittee on Social Security, requested that we review how SSA mails Statements and who receives them, see Appendix B. Specifically, they requested we determine the following.

1. Between FYs 2014 and 2018, how many Statements were mailed and what were the costs each fiscal year?
2. Since resuming mailings in September 2014, when has SSA stopped or changed who receives a mailed Statement? Please provide the rationale for the changes and include over what periods they occurred, who was affected, and how SSA communicated them.
3. Did people, who were due to receive a Statement during that time, receive one when mailings resumed or were they skipped?
4. What is the current printing contract's period of performance and how does the contract address changes or stoppages? What is SSA's plan for a new contract?

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<sup>6</sup> These Statements were mailed as a result of individuals completing a paper *Request for an Earnings and Benefit Estimate Statement*, (Form SSA-7004-SM-OP1) or a similar form through SSA's Website.

<sup>7</sup> The contractor employees are subject to suitability background checks.



## RESULTS OF REVIEW

In FYs 2010 to 2018, SSA mailed approximately 381 million paper Statements (both automatic and on request). The Agency mailed about 252 million paper Statements in FYs 2010 to 2013 primarily to individuals who were age 25 and older and not receiving Social Security benefits. Between FYs 2014 and 2018, citing budgetary issues, the Agency reduced the number of paper Statements by modifying the age groups to whom it mailed the Statements. This reduction resulted in the Agency mailing only about 129 million paper Statements.

Moreover, the number of individuals who accessed their Statements via [my Social Security](#) increased from 1.9 million in FY 2012 to 16.8 million in FY 2018. However, the percentage of registered [my Social Security](#) users who accessed their Statements online declined from 96 percent in FY 2012 to 43 percent in FY 2018.

The costs of printing and mailing paper Statements decreased from FY 2010 to FY 2018 because SSA changed the age groups to whom it mailed paper Statements and Statements were available online. In FYs 2010 to 2018, SSA spent about \$174 million to mail 381 million paper Statements. In FY 2010, it cost about \$65 million to mail approximately 155 million Statements, and, in FY 2018, it cost \$7.6 million to mail about 14.6 million Statements.

Finally, the contract SSA awarded to print and mail the paper Statements allows the number of Statements mailed annually to fluctuate. The 5-year contract, which is scheduled to expire in August 2019, estimates 45 million Statements will be mailed annually. However, it allows for a 25-percent increase or decrease in Statements to allow flexibility if SSA modifies the age groups to whom it mails Statements and avoid re-soliciting the contract.

### Issuance of Paper Social Security Statements

As shown in Table 1, from FYs 2010 to 2018, SSA printed and mailed approximately 381 million paper Statements to individuals to inform them about their lifetime earnings and future benefits. During these 9 years, the Agency mailed about 379 million automatic Statements to individuals. Additionally, it mailed approximately 2 million Statements to individuals upon request.

**Table 1: The Volume of Social Security Statements Mailed**

Fiscal Year	Number of Statements Mailed		
	Automatic <sup>1</sup>	On-request <sup>2</sup>	Total
<b>2010</b>	154,707,312	392,250	155,099,562
<b>2011</b>	74,427,249	268,060	74,695,309
<b>2012</b>	21,728,005	15,406	21,743,411
<b>2013</b>	-	7,608	7,608
<b>2014</b>	3,868,569	74,293	3,942,862
<b>2015</b>	49,577,044	515,026	50,092,070
<b>2016</b>	46,728,830	384,746	47,113,576
<b>2017</b>	13,285,401	115,617	13,401,018
<b>2018</b>	14,428,893	139,239	14,568,132
<b>Total</b>	<b>378,751,303</b>	<b>1,912,245</b>	<b>380,663,548</b>

**Note 1:** Mailed to individuals based on the Agency's criteria.

**Note 2:** Mailed when individuals completed a Form SSA-7004-SM-OP1 or a similar form through SSA's Website.

### *FYs 2010 to 2013*

In FY 2010, the Agency mailed about 155 million automatic Statements to individuals age 25 and older, not receiving Social Security benefits, and for whom SSA could determine mailing addresses. This was the last year SSA mailed Statements in accordance with Section 1143 of the *Social Security Act*. SSA suspended automatically mailing Statements in FY 2011 but mailed about 75 million Statements to individuals during the first half of the FY. In March 2011, the Commissioner of SSA notified Congress that, to conserve funds, the Agency was suspending mailing Statements.<sup>8</sup> During that year, the Agency received about \$1 billion less in funding than it requested in the President's budget. In FY 2012, citing budgetary issues, SSA continued curtailing mailing automatic Statements, mailing about 22 million Statements. From February to August 2012, the Agency mailed Statements to individuals age 60 and older, and, from July to September 2012, it mailed Statements to individuals age 25 and older. In May 2012, SSA began providing online access to Statements when it implemented *my Social Security*. SSA ceased mailing automatic Statements in FY 2013, again citing budgetary issues.

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<sup>8</sup> Department of Labor, *Health and Human Services, Education, and Related Agencies Appropriations for Fiscal Year 2012: Hearing on Senate Bill S1599 Before the Subcommittee of the Committee on Appropriations*, 112<sup>th</sup> Congress p. 11 (2011).

## *FYs 2014 to 2018*

In March 2014, SSA notified Congress that it would resume mailing automatic Statements to individuals in September 2014.<sup>9</sup> SSA mailed about 3.9 million automatic Statements to individuals who attained ages 25, 30, 35, 40, 45, 50, 55, and 60 by December 2014;<sup>10</sup> were not receiving Social Security benefits; and did not have *my Social Security* accounts. According to SSA, it stopped mailing Statements in accordance with section 1143 of the *Social Security Act* to effectively use its resources to preserve the most critical commitments to public service. Further, the Agency stated that mailing Statements to individuals using 5-year increments would ensure everyone would receive an automatic Statement at least once every 5 years or more often if a person requests one. In September 2014, the Agency notified the public about the change.<sup>11</sup> SSA did not mail Statements retroactively to those individuals who met the revised criteria before September 2014. In FYs 2015 and 2016, SSA continued mailing automatic Statements to individuals in 5-year increments, mailing approximately 49.6 million in FY 2015 and 46.7 million in FY 2016. Issuing Statements based on 5-year increments resulted in SSA mailing about one-third of the Statements it mailed in FY 2010.

In the first quarter of FY 2017, SSA continued mailing Statements to individuals based on 5-year increments, but, in January 2017, the Agency revised the criteria to mail automatic Statements to individuals age 60 and older, not receiving Social Security benefits, and who do not have a *my Social Security* account. SSA decided to mail automatic Statements to individuals for whom the information was most essential, namely those who were near retirement. The change in criteria resulted in SSA mailing automatic Statements to about 13 million individuals in FY 2017. Again, the Agency indicated that budgetary considerations were the main reasons for the reduction and believed it was complying with section 1143 of the *Social Security Act* because it

- considered the number of statements that would be mailed when constructing the budget,
- made Statements available to anyone via *my Social Security*,
- sent a reminder email to *my Social Security* account holders to check their online Statements,
- mailed paper Statements to individuals who requested them, and
- determined printing and mailing Statements to everyone required by the statute would impede other essential work due to budgetary limitations.

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<sup>9</sup> SSA, *Plan to Increase the Number of Individuals Annually Receiving Social Security Statements, Report to Congress*, p. 4 (March 2014).

<sup>10</sup> SSA mailed the Statements 3 months before the individuals' birthdays.

<sup>11</sup> SSA, *Agency Resumes Mailing Social Security Statements*, ssa.gov (September 16, 2014).

SSA first notified the public about the reduction in automatically mailing Statements in a January 2017 blog post.<sup>12</sup> SSA continued mailing automatic Statements to individuals age 60 and older in FY 2018, which resulted in approximately 13.8 million Statements being mailed.

## Issuance of Online Social Security Statements

The number of individuals who accessed their online Statements increased from about 1.9 million in FY 2012 to 16.8 million in FY 2018, see Table 2. The **my Social Security** portal allows registered users to access their Statements any time at their own convenience. Furthermore, making Statements accessible online benefits SSA because it reduces traffic to field offices, calls to the Agency, and costs to print and mail automatic Statements.

When SSA implemented **my Social Security** in FY 2012, about 1.9 (96 percent) of the 2 million registered users had accessed their online Statements. At that time, online Statements was the only service offered via **my Social Security**, but additional services were added over time, such as requesting replacement Social Security cards, changing addresses, and obtaining benefit verification letters. In FY 2018, about 16.8 (43 percent) of the 38.8 million registered users accessed their online Statements. Although the number of registered users who accessed their Statements online had increased annually, the percent of registered users who accessed their Statements had declined from 96 percent in FY 2012 to 43 percent in FY 2018. There could be several contributing factors, such as individuals accessing other services via **my Social Security**.

**Table 2: Online Statements via **my Social Security****

FY	Total Registered Users	Users Who Access Online Statement	Percent of Users Who Access Online Statement
2012	2,023,011	1,945,890	96
2013	8,352,201	7,135,204	85
2014	14,490,379	10,062,404	69
2015	21,139,321	12,776,556	60
2016	26,941,287	14,279,536	53
2017	32,655,922	15,654,742	48
2018	38,812,938	16,849,165	43

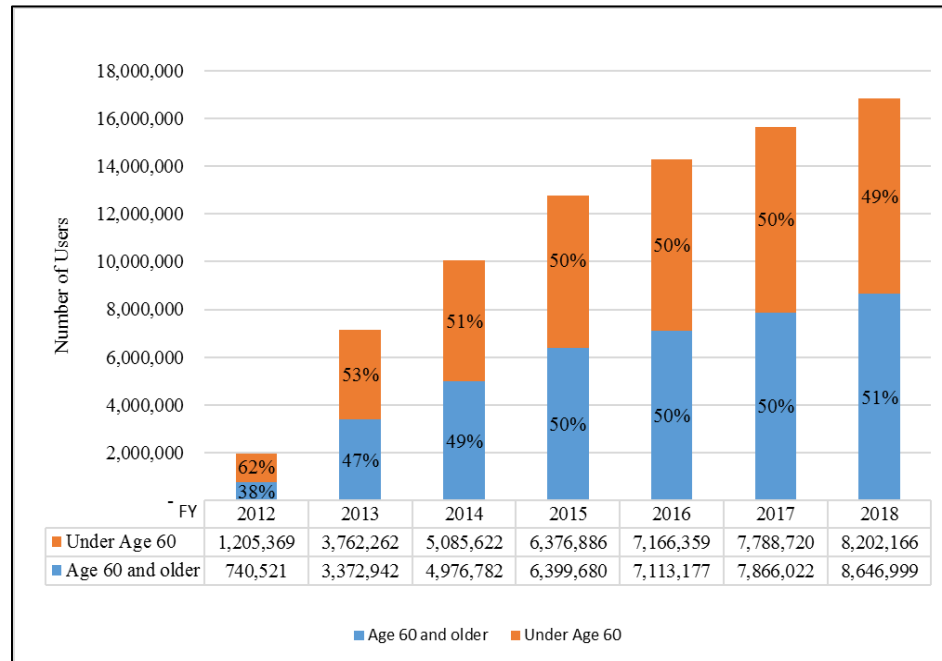
As shown in Figure 1, in FY 2012, 38 percent of the individuals who accessed their Statements online were age 60 and older. This number increased to between 47 and 51 percent in FYs 2013 to 2018. This is the age group SSA targeted with mailing automatic Statements. Further, stopping automatic Statement mailings to individuals under age 60 did not result in a significant

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<sup>12</sup> SSA, *Finding Value—and my Social Security—in light of Budget Cuts*, ssa.gov (January 9, 2017).

increase in online Statement access for this group. During FYs 2013 to 2018, their level of access remained relatively constant from 53 percent in FY 2013 to 49 percent in FY 2018.

**Figure 1: Age Demographics of Registered Users Who Access Online Statements**



## Cost of Issuing Social Security Statements

As shown in Table 3, in FYs 2010 to 2013, SSA spent about \$107 million to print and mail automatic and on-request Statements to approximately 252 million individuals. Specifically, about \$12.9 million related to printing, and \$94.3 million related to postage. It cost SSA, on average, \$0.43 to print and mail one Statement during this period. In FY 2010, the last time SSA mailed Statements in accordance with section 1143 of the *Social Security Act*, it cost about \$65 million to print and mail approximately 155 million Statements. The cost decreased in FYs 2011 to 2013, when SSA suspended mailing the automatic Statements, from about \$32 million to \$3,500, respectively.

**Table 3: Costs of Social Security Statements FYs 2010 to 2013**

FY	Volume	Printing	Postage	Total	Cost Per Statement
2010	155,099,562	\$7,057,223	\$57,541,938	\$64,599,161	
2011	74,695,309	\$4,227,479	\$28,309,522	\$32,537,001	
2012	21,743,411	\$1,565,761	\$8,458,187	\$10,023,948	
2013	7,608	\$289	\$3,196	\$3,485	
<b>Total</b>	<b>251,545,890</b>	<b>\$12,850,752</b>	<b>\$94,312,843</b>	<b>\$107,163,595</b>	<b>\$0.43</b>

In FYs 2014 to 2018, the cost of mailing Statements decreased significantly because the Agency changed its criteria for mailing automatic Statements and online Statements were available. During the 5-year period, SSA spent about \$66.7 million to print and mail approximately 129 million Statements to individuals, see Table 4. About \$11.2 million related to printing and \$55.5 million related to postage. It cost SSA, on average, \$.52 to print and mail one Statement during this period. The annual costs ranged from about \$2 million in FY 2014, the year SSA resumed mailing automatic Statements, to approximately \$26 million in FY 2015, when SSA mailed automatic Statements to individuals in 5-year increments. In FY 2018, the year SSA mailed automatic Statements to individuals age 60 and older who were not registered for **my Social Security**, the costs decreased to about \$7.6 million.

**Table 4: Costs of Social Security Statements FYs 2014 to 2018**

FY	Volume	Printing	Postage	Total	Cost Per Statement
<b>2014</b>	3,942,862	\$332,124	\$1,715,733	\$2,047,857	
<b>2015</b>	50,092,070	\$4,206,031	\$21,865,166	\$26,071,197	
<b>2016</b>	47,113,576	3,989,118	20,033,608	\$24,022,726	
<b>2017</b>	13,401,018	\$1,280,333	\$5,670,538	\$6,950,871	
<b>2018</b>	14,568,132	\$1,408,446	\$6,172,971	\$7,581,417	
<b>Total</b>	<b>129,117,658</b>	<b>\$11,216,052</b>	<b>\$55,458,016</b>	<b>\$66,674,068</b>	<b>\$0.52</b>

## Printing Contract for Social Security Statements

SSA's printing contract commenced on September 1, 2014 for an initial period ended August 31, 2015 plus up to four optional 12-month extension periods. The Agency exercised all option years bringing the contract end date to August 31, 2019. SSA worked with the Government Publishing Office to procure a "requirements" contract that allows SSA to adjust the volume of Statements it would produce according to its needs. The requirements clause of the contract stated that "The quantities of items specified herein are estimates only, and are not purchased hereby." Further, it stated, "Except as may be otherwise provided in this contract, if the Government's requirements for the items set forth herein do not result in orders in the amounts or quantities described as 'estimated,' it shall not constitute the basis for an equitable price adjustment under this contract."

The contract showed an estimated 45 million Statements would be ordered, annually, but allowed SSA to increase or decrease by up to 25 percent of the total number of Statements ordered each year. Regarding the variation between estimated volumes, the Agency stated the contract specifications were developed to ensure SSA would not need to re-solicit a new contract if it added other age groups to the Statements production, a process that could take approximately 9 to 12 months to complete. As of January 2019, SSA staff indicated it was working with the Government Publishing Office to solicit the new contract for printing and mailing Statements.

## CONCLUSIONS

In FYs 2010 to 2018, SSA mailed approximately 381 million paper Statements to individuals to inform them about their lifetime earnings and future Social Security benefits. Section 1143 of the *Social Security Act* requires that SSA send automatic Statements to individuals age 25 and older who are not receiving Social Security benefits. However, over the years, SSA has modified the age groups to whom it sends Statements. In FYs 2014 to 2018, the Agency mailed workers about 129 million paper Statements. Between FYs 2014 and 2016, SSA mailed automatic Statements to individuals who attained ages 25, 30, 35, 40, 45, 50, 55, and 60 and older; were not receiving Social Security benefits; and did not have *my Social Security* accounts. In FYs 2017 and 2018, SSA decided to send Statements to individuals age 60 and older for whom the information was most essential as they were close to retirement.

Moreover, the costs for mailing the paper Statements decreased from FYs 2010 to 2018 because SSA changed the age groups to whom the Agency mailed Statements. In FY 2010, the Agency spent about \$65 million to print and mail approximately 155 million Statements, and, in FY 2018, it spent about \$7.6 million to print and mail approximately 14.6 million Statements. Finally, the contract awarded to mail paper Statements allowed SSA to adjust the number of Statements mailed annually. The contract showed that SSA would order an estimated 45 million Statements annually but allowed the Agency to increase or decrease the order by up to 25 percent to allow flexibility in case SSA decided to modify the age groups to whom it would mail Statements and to avoid re-soliciting the contract.

## AGENCY COMMENTS

SSA had no comments on the report; see Appendix D.



Rona Lawson  
Assistant Inspector General for Audit

# *APPENDICES*



## Appendix A – EXAMPLE SOCIAL SECURITY STATEMENT

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Your payment would be about  
**\$1,117 a month**  
at full retirement age

WANDA WORKER  
456 ANYWHERE AVENUE  
MAINTOWN, USA 11111-1111

June 5, 2018

### Your Social Security Statement

Your *Social Security Statement* shows how much you have paid in Social Security and Medicare taxes. It explains about **how much you would get** in Social Security benefits when you reach full retirement age. If you become disabled and unable to work, you may be eligible for disability benefits. In addition, if the family members who depend on you outlive you, they may be eligible for survivor benefits.

Take a look at your earnings. Your earnings determine how much you get in benefits. **If you find an error**, please let us know right away.

Social Security benefits are **not intended to be your only income source** when you retire. On average, Social Security will replace about 40 percent of your annual pre-retirement earnings. You will need other savings, investments, pensions, or retirement accounts to live comfortably. Use this *Statement* as a tool for planning your financial future.

To see your *Statement* online anytime, create a **my Social Security** account at [myaccount.socialsecurity.gov](https://myaccount.socialsecurity.gov).

To view your *Social Security Statement* online anytime create a **my Social Security** account today!



**my Social Security**  
[myaccount.socialsecurity.gov](https://myaccount.socialsecurity.gov)

*Social Security Administration*

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Follow the Social Security Administration at these social media sites.



## Your Estimated Benefits

*Retirement	To get retirement benefits, you need 40 credits of work. Your record shows you have at least 35 credits at this time, including assumed credits for last year and this year if you continue to work.	
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about.....	\$ 1,077 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.	
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:	
	Your child.....	\$ 838 a month
	Your spouse who is caring for your child.....	\$ 838 a month
	Your spouse, if benefits start at full retirement age.....	\$ 1,117 a month
	Total family benefits cannot be more than .....	\$ 1,676 a month
	Your spouse or minor child may be eligible for a special one-time death benefit of \$255.	
Medicare	To get Medicare benefits at age 65, you need the same number of credits that you need for retirement benefits (shown above). You do not have enough credits to qualify at this time. However, if you don't have enough credits when you reach age 65, you may contact a local Social Security office to learn whether you are eligible to buy Medicare coverage.	
* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 79 percent of scheduled benefits.		
We based your benefit estimates on these facts:		
	Your date of birth (please verify your name on page 1 and this date of birth) .....	April 5, 1993
	Your estimated taxable earnings per year after 2017 .....	\$22,444
	Your Social Security number (only the last four digits are shown to help prevent identity theft).....	XXX-XX-1234

## How Your Benefits Are Estimated

To qualify for benefits, you earn "credits" through your work — up to four each year. This year, for example, you earn one credit for each \$1,320 of wages or self-employment income. When you've earned \$5,280, you've earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven't earned enough yet to qualify for any type of benefit, we can't give you a benefit estimate now. If you continue to work, we'll give you an estimate when you do qualify.

**What we assumed** — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2018 and later (up to retirement age), we assumed you'll continue to work and make about the same as you did in 2016 or 2017. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator) to obtain immediate and personalized benefit estimates.

We can't provide your actual benefit amount until you apply for benefits. And that amount may differ from the estimates stated above because:

- (1) Your earnings may increase or decrease in the future.
- (2) After you start receiving benefits, they will be adjusted for cost-of-living increases.

- (3) Your estimated benefits are based on current law. The law governing benefit amounts may change.
- (4) Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax. Visit [www.socialsecurity.gov](http://www.socialsecurity.gov) to learn more.

**Windfall Elimination Provision (WEP)** — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at [www.socialsecurity.gov/WEP](http://www.socialsecurity.gov/WEP).

**Government Pension Offset (GPO)** — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse's record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at [www.socialsecurity.gov/GPO](http://www.socialsecurity.gov/GPO).

## Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
2009	1,114	1,114
2010	2,751	2,751
2011	4,968	4,968
2012	8,531	8,531
2013	11,503	11,503
2014	14,287	14,287
2015	17,789	17,789
2016	22,444	22,444
2017	Not yet recorded	

You and your family may be eligible for valuable benefits:

When you die, your family may be eligible to receive survivors benefits.

Social Security may help you if you become disabled—even at a young age.

A young person who has worked and paid Social Security taxes in as few as two years can be eligible for disability benefits.

Social Security credits you earn move with you from job to job throughout your career.

**Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:**

Estimated taxes paid for Social Security:

You paid: \$4,900  
Your employers paid: \$5,170

Estimated taxes paid for Medicare:

You paid: \$1,209  
Your employers paid: \$1,209

**Note:** Currently, you and your employer each pay a 6.2 percent Social Security tax on up to \$128,400 of your earnings and a 1.45\* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to \$128,400 of your net earnings and a 2.9\* percent Medicare tax on your entire net earnings.

\*If you have earned income of more than \$200,000 (\$250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

## Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

**Review this chart carefully** using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct.

Some or all of your earnings from last year may not be shown on your *Statement*. It could be that we still were

processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

**There's a limit on the amount of earnings on which you pay Social Security taxes each year.** The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, all of your earnings are taxed for Medicare.)

**Call us right away at 1-800-772-1213 (7 a.m.–7 p.m. your local time)** if any earnings for years before last year are shown incorrectly. Please have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)



## Some Facts About Social Security

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### About Social Security and Medicare...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit [www.medicare.gov](http://www.medicare.gov) or call 1-800-633-4227 (TTY 1-877-486-2048 if you are deaf or hard of hearing).

**Retirement** — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.

Some people retire before their full retirement age. You can retire as early as 62 and take benefits at a reduced rate. If you work after your full retirement age, you can receive higher benefits because of additional earnings and credits for delayed retirement.

**Disability** — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

- enough credits from earnings (depending on your age, you must have earned six to 20 of your credits in the three to 10 years before you became disabled); and
- a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more or result in death.

If you are filing for disability benefits, please let us know if you are on active military duty or are a recently discharged veteran, so that we can handle your claim more quickly.

**Family** — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children or adult children disabled before age 22 also may receive benefits. Each may qualify for up to about 50 percent of your benefit amount.

**Survivors** — When you die, certain members of your family may be eligible for benefits:

- your spouse age 60 or older (50 or older if disabled, or any age if caring for your children younger than age 16); and
- your children if unmarried and younger than age 18, still in school and younger than 19 years old, or adult children disabled before age 22.

If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

**Extra Help with Medicare** — If you know someone who is on Medicare and has limited resources and income, Extra Help is available for prescription drug costs. The Extra Help can help pay the monthly premiums, annual deductibles and prescription co-payments. To learn more or to apply, visit [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1-800-772-1213 (TTY 1-800-325-0778).

### Receive benefits and still work...

You can work and still get retirement or survivors benefits. If you're younger than your full retirement age, there are limits on how much you can earn without affecting your benefit amount. When you apply for benefits, we'll tell you what the limits are and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

### Before you decide to retire...

Carefully consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your monthly benefits will be reduced.

To help you decide the best time to retire, we offer a free publication, *When To Start Receiving Retirement Benefits* (Publication No. 05-10147), that identifies the many factors you should consider before applying. Most people can receive an estimate of their benefit based on their actual Social Security earnings record by going to [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator). You also can calculate future retirement benefits by using the Social Security Benefit Calculators at [www.socialsecurity.gov](http://www.socialsecurity.gov).

Other helpful free publications include:

- *Retirement Benefits* (No. 05-10035)
- *Understanding The Benefits* (No. 05-10024)
- *Your Retirement Benefit: How It Is Figured* (No. 05-10070)
- *Windfall Elimination Provision* (No. 05-10045)
- *Government Pension Offset* (No. 05-10007)
- *Identity Theft And Your Social Security Number* (No. 05-10064)

We also have other leaflets and fact sheets with information about specific topics such as military service, self-employment or foreign employment. You can request Social Security publications at our website, [www.socialsecurity.gov](http://www.socialsecurity.gov), or by calling us at 1-800-772-1213. Our website has a list of frequently asked questions that may answer questions you have. We have easy-to-use online applications for benefits that can save you a telephone call or a trip to a field office.

You also may qualify for government benefits outside of Social Security. For more information on these benefits, visit [www.benefits.gov](http://www.benefits.gov).

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**If you need more information** — Visit [www.socialsecurity.gov](http://www.socialsecurity.gov) on the Internet, contact any Social Security office, call 1-800-772-1213 or write to Social Security Administration, Office of Earnings Operations, P.O. Box 33026, Baltimore, MD 21290-3026. If you're deaf or hard of hearing, call TTY 1-800-325-0778. If you have questions about your personal information, you must provide your complete Social Security number. If your address is incorrect on this *Statement*, ask the IRS to send you a Form 8822. We don't keep your address if you're not receiving Social Security benefits.



## Social Security—What's In It For You

*socialsecurity.gov*

**B**y now, you probably have worked various jobs where you paid taxes to support the Social Security and Medicare programs. It's important you understand what these taxes are paying for, since you likely will be paying them for the rest of your working career.

The enclosed *Social Security Statement* shows how much you have paid in taxes and provides an estimate of how much you may receive in benefits when you are eligible. Please pay close attention to a few items:

- Check your earnings information. Your earnings will determine how much you will receive in Social Security benefit payments.
- If you find an error in your earnings, please let us know right away.
- If you change jobs or your marital status, please make sure your employer has the correct name and Social Security number on record.

### Why should I think about retirement now?

We realize you have a long time to go until retirement. However, if you want to be able to look forward to financial security when the time comes, it is never too early to begin planning. The good news is that Social Security will provide the foundation for your retirement income.

Financial planners generally agree retirees will need about 70-80 percent of preretirement earnings to enjoy a comfortable retirement. For an average worker, Social Security replaces about 40 percent of annual preretirement earnings, so you will need to save and invest to ensure an adequate income during retirement for you and your family.

While there are many unreliable and self-interested financial planning sources on the Internet, the federal government provides unbiased information at *my money.gov*.

You can maximize your savings through the power of compound interest and by starting early.

### Will Social Security be there for me?

Social Security is there for you right now. Like most people, you probably think of Social Security as just a retirement program. However, depending on your circumstances, you may need the protection of Social Security well before retirement.

#### Protection if you become disabled...

Studies show that more than one in four 20-year-olds insured for disability benefits become disabled before reaching retirement age. As a result, they may need to rely on Social Security for income support.

#### Protection when you die...

Of course, we all hope to live long and healthy lives, but the truth is about one in seven of today's 20-year-olds will die before reaching age 67. More than two million children and surviving spouses caring for children receive Social Security survivor benefits because of a worker's death.

### How do I get my *Statement* in the future?

You can get your *Statement* online anytime by creating your personal **my Social Security** account. Create your account today at *socialsecurity.gov/myaccount*. We encourage you to check your earnings information on your *Statement* and compare it with your own records to make sure our information is correct.

We want to make sure you are getting full credit for the taxes you are paying, so you should review the earnings information each year. You also should access your *Statement* online periodically and get up-to-date estimates of your future benefits to see how your earnings are increasing the amount of those expected benefits.

There is a wealth of information and popular services available for you and your family at one convenient location on the Internet. Learn what you can do online by visiting *socialsecurity.gov/online services*.

### Promise of security...

It is true that Social Security faces financial problems, and action is needed soon to make sure the system can continue to pay approximately the same level of benefits. Social Security has been a contract between generations since 1935, and America has always kept the promise of security for workers and their families.

(09/14 edition)



# Appendix B – CONGRESSIONAL REQUEST LETTER

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KEVIN BRADY, TEXAS,  
CHAIRMAN

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GARY J. ANDRES,  
STAFF DIRECTOR

## Congress of the United States

### U.S. House of Representatives

#### COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING  
(202) 225-3625

Washington, DC 20515-6548

<http://waysandmeans.house.gov>

June 12, 2018

RICHARD E. NEAL, MASSACHUSETTS, RANKING MEMBER  
SANDER M. LEVIN, MICHIGAN  
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LLOYD DOGGETT, TEXAS  
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JUDY CHU, CALIFORNIA

BRANDON CASEY,  
MINORITY CHIEF OF STAFF

Gale Stallworth Stone  
Acting Inspector General  
Social Security Administration  
6401 Security Boulevard  
Baltimore, MD 21207

Dear Ms. Stone:

We write to request that the Office of the Inspector General (OIG) review how the Social Security Administration (SSA) mails Social Security statements and who receives them.

In response to a Joint Explanatory Statement to the Consolidated Appropriations Act of 2014, the SSA submitted a plan to resume mailing statements each year to people of certain ages who do not have an online account with the SSA. The plan also details the SSA's strategy for signing people up for a *mySocialSecurity* account to access their statement online.

In fiscal year (FY) 2015, the SSA planned to mail 43.5 million statements at a cost of roughly \$21.75 million. However, according to the SSA's website, it currently only mails statements to certain workers age 60 and older. This is a much smaller group of people than described in the SSA's plan.

Given the critical importance of this statement to wage earners and to help better understand the SSA's strategy regarding mailed statements, we are requesting a report that answers the following questions:

- 1) Between FYs 2014 and 2018, how many statements were mailed and what were the costs each fiscal year?
- 2) Since resuming mailings in September 2014, when has the SSA stopped or changed who receives a mailed statement? Please provide the rationale for the changes and include over what periods of time they occurred, who was affected, and how the SSA communicated them.
- 3) Did people, who were due to receive a statement during that time, receive one when mailings resumed or were they skipped?

- 4) What is the current printing contract's period of performance and how does the contract address changes or stoppages? What is the SSA's plan for a new contract?

Thank you for your prompt attention to this request. Should you or your staff have any questions, please contact Amy Shuart, the Social Security Subcommittee Staff Director, at (202) 225-9263.

Sincerely,

A handwritten signature in blue ink that reads "Sam Johnson". The signature is fluid and cursive, with the first name "Sam" being more prominent.

Sam Johnson  
Chairman  
Subcommittee on Social Security

A handwritten signature in blue ink that reads "Vern Buchanan". The signature is fluid and cursive, with the first name "Vern" being more prominent.

Vern Buchanan  
Member  
Subcommittee on Social Security

## Appendix C – SCOPE AND METHODOLOGY

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To achieve our objective, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration's (SSA) regulations.
- Reviewed Public Laws applicable to Social Security Statement (Statement) issuance.
- Reviewed applicable sections of SSA's Program Operations Manual System.
- Reviewed prior Office of the Inspector General and Government Accountability Office reports related to Statements.
- Obtained and reviewed management information related the number of Statements mailed, associated costs of mailing Statements, and printing contracts for Statements.
- Reviewed SSA's Presidential Budget requests and Full Justification of Estimates for Appropriations, Fiscal Years 2010 to 2018.
- Obtained and reviewed demographical information related *my Social Security* enrollment and online Statement usage.
- Obtained and reviewed publications and media coverage related to Statement mailings and the availability of the online Statements via *my Social Security*.

We conducted our review between June and December 2018 in Philadelphia, Pennsylvania. SSA staff provided all data for this request. Based on our research and analysis, we believe these data were sufficiently reliable to meet our audit objective. The principal entity reviewed was SSA's Office of Systems. We conducted this 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



## Appendix D– AGENCY COMMENTS

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### SOCIAL SECURITY

#### MEMORANDUM

**Date:** February 11, 2019 **Refer To:** S1J-3

**To:** Rona Lawson  
Assistant Inspector General for Audit

*Stephanie Hall*

**From:** Stephanie Hall  
Acting Deputy Chief of Staff

**Subject:** Office of the Inspector General Draft Congressional Response Report, “Issuance of Social Security Statements” (A-03-18-50724) -- INFORMATION

Thank you for the opportunity to review the draft report regarding our issuance of Social Security Statements. We have no comments.

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

## MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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- Semiannual Reports to Congress
- fraud advisories
- press releases
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**Mail:** Social Security Fraud Hotline  
P.O. Box 17785  
Baltimore, Maryland 21235

**FAX:** 410-597-0118

**Telephone:** 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

**TTY:** 1-866-501-2101 for the deaf or hard of hearing