CHAPTER III

PROGRAM ADMINSTRATORS' PROCEDURES FOR VERIFYING SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME

This Chapter provides procedures for program administrators to: (1) receive SS and SSI Benefit History and Income Discrepancy Reports, (2) distribute the reports to end users, and (3) use these reports. In addition, this Chapter explains requirements for income counted or excluded in determining tenant contributions toward rent.

A. Receive SS and SSI Reports

Program administrators will receive the reports for families scheduled for re-examination 3 or 4 months before the families' annual re-examination dates. Program administrators will use one of the three techniques cited in Chapter II to receive the reports. Instructions for receiving the reports via the Internet (the preferred method) are shown in Chapter IV of this Guide.

The SS and SSI Benefit History Reports and Tenant Income Discrepancy Reports are sorted as follows:

> *For HAs:* The reports for the Low Income program are sorted by HA project number, and head of household SSN. The reports for Section 8 are sorted by HA, program, and head of household SSN.
>
> *For O/As*: The reports are sorted by project number, contract number, and head of household SSN.

SS/SSI Benefit History Reports provide information for individuals with matching personal identifiers in MTCS, TRACS and SSA files. See Appendices II and III for a sample of an SS/SSI Benefit History Report for HAs and O/As, respectively. See Appendix IV references for the codes indicated on the Benefit History Report the Tenant Income Discrepancy Report. Program administrators will use this information in the annual re-examination process to verify the amount of SS and SSI.

The Tenant Income Discrepancy Reports provide information concerning families likely to have previously underreported a significant amount of SS and SSI. See Appendices V and VI for a sample Tenant Income Discrepancy Report for HAs and O/As, respectively. The reports highlight for program administrators those households requiring analysis for potential past abuse of income reporting requirements. Program administrators will receive an SS/SSI Benefit History Report for all families listed on the Tenant Income Discrepancy Reports. The Benefit History Report provides SS/SSI information needed to compute unreported income and excess rental assistance.

The Tenant Income Discrepancy Report shows a comparison between the net monthly SS and SSI benefit amounts on SSA's records and the SS and SSI benefits that the program administrator reported to MTCS or TRACS. The MTCS and TRACS annual amounts have been recalculated to show on the Report as monthly amounts. The report always shows the head of household to aid the program administrator in locating information about the family. The SSA amounts shown on the report do not include lump sum distributions because they are not counted as income in computing tenant contributions toward rent.

For new applicants for rental assistance and interim re-examinations of income, program administrators should request that new applicants provide documents that tenants have in their possession showing the monthly amount of SS and SSI they receive. The documents may include recent benefit letters [the preferred document], Form 1099-SSA, award letters, other letters from SSA that show benefit amounts, and bank statements indicating net payments. If tenants do not provide current SS information, the program administrator may apply SSA's cost-of-living factor to the prior benefit level. HUD expects that tenant-provided documents generally will provide sufficient information to determine initial eligibility and benefit amounts. The SS and SSI information will be verified with computer matching at the next re-examination. Program administrators should not request that new applicants go to local SSA Office to obtain reports on their SS and SSI benefits.

B. Distribute SS and SSI Reports

After receiving the SS and SSI reports, the program administrator must distribute the reports to the staff who need the information to conduct the re-examination of tenants. Failure to distribute the report quickly to the right staff will prevent effective use of the reports.

Program administrators may use several techniques for distributing the reports:

- Printing and distributing the reports from a central location,
- Permitting multiple users with Internet access to the SS and SSI reports, or
- Including the reports on a local area network for access by staff who do re-examinations.

C. Use SS and SSI Reports to Verify Income

Program administrators may rely on the HUD-provided information as sufficient documentation to verify tenant-reported SS and SSI for annual re-examinations of household income. Independent SS and SSI verification is not required for interim income examinations. However, the program administrator may request that the tenant provide SSA benefit letters or other documentation of changes in income. Program administrators should not request other documents from tenants concerning SS and SSI if the program administrator has the HUD-provided SS and SSI information for the applicable re-examination period. If the program administrator has received SS and SSI information from the tenant for whom information a Benefit History Report was not received from HUD, the program administrator may use that information for verification purposes.

Tenants are required to report SS and SSI amounts received. If a program administrator did not receive a benefit history report for a tenant, this should not be interpreted as confirmation that the tenant or a member of the family did or do not receive SS or SSI. For various reasons, the absence of SS or SSI information may be due to an error in the transmission of the tenant's date of birth, social security number, name. If these errors exist, the program administrator will not receive an SS or SSI Benefit History Report. The program administrators should obtain whatever information the tenant can provide when a report is not received from HUD, and correct any errors in personal identifiers that may contribute to non-receipt of future SS and SSI reports from HUD.

The following describes procedures for verifying SS and SSI income using the Benefit History Report and the Tenant Income Discrepancy Report:

C-1 Benefit History Reports

Most households will have one or more Benefit History Reports (one for each individual in the household with SS or SSI income, and no Tenant Income Discrepancy Report). Where this situation occurs, the program administrator will:

1. Use the Benefit History report to calculate the tenants projected annual income for the next scheduled re-examinations. This will involve annualizing (multiplying the monthly amounts shown on the Report) the household's benefits to create accurate estimates of the household's income from these sources for the next 12 months. The following tables summarize the types of benefits included and excluded as income:

Gross Amounts which Count as Income in Calculating the Tenant's Contribution toward Rent
Social Security[2]
Dual entitlement for social security (when the tenant receives an additional electronic payment, usually a benefit received as a beneficiary of another individual)
Supplemental security income
State supplemental security income
Black lung benefits[3]

If there is evidence that a tenant is receiving both Federal and State SSI and the HUD reports only show the Federal SSA amount, the program administrator will indicate both incomes in Section 7b on the HUD Form 50058 or 50059.

[2] To obtain the gross amount of benefits, you must add the Net Social Security benefit to the Medicare premium amount. When the Benefit History Report shows the same gross and net benefits AND a Medicare premium, this means a third party (usually the State) is paying the Medicare premium. If the Benefit History Report shows a "Y" under "Buy-In," this indicates another person or organization is paying the Medicare insurance premium.
[3] The Benefit History Report shows only black lung benefits paid by SSA. The tenant should provide a benefit verification for any black lung benefits paid by the Department of Labor.

Types of Income Shown on Benefit History Reports That Are Excluded from Income in Calculating Tenant Contribution Toward Rent
Lump sum social security payments
Social security provided under a Plan to Attain Self Sufficiency (PASS)
Third Party Paid Medicare Premium (See Footnote 2)

2. Discuss the computed amount of countable income with the head of household during the annual re-examinations of household income and offer the head of household the opportunity to contest the program administrator's computed income amounts.

3. File the Benefit History Report in the tenant's case file.

C-2 Tenant Income Discrepancy Reports

The monthly Tenant Income Discrepancy report identifies individuals with SS and SSI income differences to determine if they represent actual unreported income affecting the families' prior tenant contributions toward rent.

1. Compare the tenant-reported amount as obtained from MTCS and TRACS data to the actual income data used in computing a family's contribution toward rent to ensure that the MTCS and TRACS data used for the comparison is correct. For example, this analysis may indicate data errors, such as, the tenant reported SS or SSI but a "0" was erroneously recorded in the SS and SSI data fields. If the analysis indicates that the family has previously failed to report all SS and SSI as required by program regulations, proceed to step 2 below. If the analysis indicates that the family has properly reported all SS and SSI as required by program regulations, go to step 5.

2. Discuss the income discrepancy with the tenant during the normal re-examinations process, offering the tenant an opportunity to explain the reasons for the income discrepancy and an opportunity to contest any program administrator findings concerning unreported SS and SSI. The initial matching of MTCS or TRACS data to SSA's data may identify individuals who have not reported SS and SSI. Sometimes individuals may have unreported SS and SSI for extended periods of time and may owe rent retroactively. If the tenant failed to report all SS and SSI as required, proceed to step 3. If the tenant claims the SS and SSI information is erroneous, the program administrator should request that the tenant do one or more of the following: (a) provide additional documentation such as SSA benefit letters, SSA award letters, or other letters from SSA that show benefit amounts; (b) call SSA's Benefit Verification toll-free telephone number at 1-800-772-1213 to obtain a copy of their SS and/or SSI benefit information; (c) send a letter to the SSA local office to request information needed to resolve the discrepancy [see sample letter at Appendix VII.]

3. Calculate the amounts of any excessive rental assistance that the tenant has received applicable to prior re-examinations. HUD does not specify requirements on the maximum timeframe for calculating excessive rental assistance owed. However, HUD encourages program administrators to go back as far as the data shown on the Benefit History Report.

4. Obtain from the tenant immediate restitution for the previously received excess rental assistance that the tenant has received because of unreported or underreported SS and SSI, or a signed agreement to repay the amount of excess rental assistance. Program administrators may also take other administrative actions that they deem appropriate under the circumstances. Generally, program administrators should take administrative action to recoup prior excess rental assistance that occurs from unreported or underreported income. However, program administrators in some unique circumstances (e.g., an indigent tenant with no means of repayment) may decide not to pursue retroactive rent for recipients of SS and SSI. Factors to be considered include: the likely extent of abuses, the costs of obtaining information and reexamining the tenant for retroactive rent, the likelihood of collection, and the extent of other abuses by the tenant. In future years, the problem of prior years' underreporting of SS and SSI will be eliminated as the program administrators resolve SS and SSI income differences noted by past years' computer matching, and ensure the use correct SS and SSI amounts in current rental assistance calculations.

5. Record in the Disposition column of the Tenant Income Discrepancy Report the resolution of the SS and SSI income difference, using the following codes:

Code	Description
	Resolved with tenant – no enforcement action needed
1A	Errors in automated tenant data
1B	Interim increase in tenant's income, no increase in the tenant's rent is required until the next re-examination
1C	Tenant vacated unit, no action planned
1D	Regular re-examination conducted, amounts no longer discrepant
	Resolved with tenant - enforcement action completed (more than one code below may be used; an asterisk should be use if the action involves prior year's re-examinations):
2A	Tenant's rent increased $______ per month
2B	Repayment agreement $______ per month
2C	Immediate restitution $______ in full
2D	Assistance terminated, no restitution likely
2E	Tenant evicted, no restitution likely
2F	Enforcement action pending, appointment with tenant scheduled but not completed
3	**Other (explain)**

All income discrepancies should be resolved within 4 months after the receipt of the income discrepancy report from HUD. Exceptions to this general rule may apply where further verification of income with the SSA is necessary.

6. Retain the annotated Tenant Income Discrepancy Report for two years. The Tenant Income Discrepancy Reports should not be sent to HUD.

   Some larger program administrators have chosen to refer the Tenant Income Discrepancies Reports to a Tenant Integrity Unit, or Internal Audit staff for analysis and resolution. The referral of the Tenant Income Discrepancy Reports to an organization/person independent of the person who did the original re-examination is highly desirable. The independent organization can then analyze the report and initiate appropriate administrative actions.