SOCIAL SECURITY

Incorrect 2007 Social Security Benefit Statements (SSA-1099s)

What happened?

- Every January, the Social Security Administration (SSA) mails SSA-1099 statements to the approximately 53 million beneficiaries who received a payment from the Agency during the previous calendar year. This year, due to a programming error, an incorrect Social Security income amount was shown on SSA-1099s for about 2.7 million beneficiaries.

Why is the amount wrong?

- The programming error caused Medicare Part C and/or Part D premium deduction amounts (and some garnishment deduction amounts) for 2006 to be included in the amounts reported for 2007. As a result, the "Benefits for 2007" fields (Box 3 and Box 5 of the SSA-1099) and the "Description of Amount in Box 3" field contain inaccurate amounts.

What is SSA doing to fix the problem?

- SSA has already corrected the problem. The software that calculated the erroneous premium withholding amounts has been fixed, and SSA Systems technicians have tested the revised programming to ensure it is now accurate.

- Revised SSA-1099s are being created, and will be mailed by January 25, 2008. SSA employees will also be onsite reviewing samples of the new SSA-1099s against Agency records to ensure accuracy of the new printing.

- The revised SSA-1099 mailer states, in red typeface, that this is a "Corrected Notice" and that the revised SSA-1099 should be used in place of the previous notice. An apology is also provided. The SSA-1099 itself is marked "Corrected Tax Information," also in red typeface.

- SSA field offices have been notified of the SSA-1099 problem. In the event that affected beneficiaries call or visit their local offices, SSA employees will also have access to a secure website that can be used to identify those individuals who will receive a revised SSA-1099.

- SSA will also send IRS an SSA-1099 replacement file, so that IRS databases will contain the same taxpayer information as the revised SSA-1099 statements.

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