Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2025 Overpayment Amount ($M)*	
Pension	Q3 2026	$272	

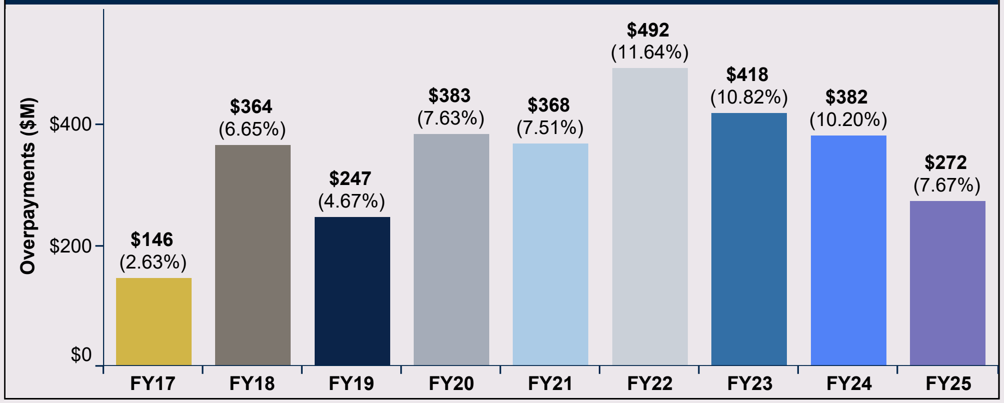
*Estimate based a sampling time frame starting 10/2023 and ending 9/2024

VA
Pension

Brief Program Description & summary of overpayment causes and barriers to prevention:

The Pension program helps eligible Veterans and their survivors cope with financial challenges by providing supplemental income through Veterans and Survivors Pension Benefits. Overpayments occur when beneficiaries fail to notify VA of financial changes or when VA makes errors in accounting for beneficiary income from Social Security or other sources, medical expenses, dependency, etc. This resulted in a projected $272.29 million in monetary loss in FY 2025. Known barriers include relying on beneficiaries to notify the VA of dependency or financial changes which may impact eligibility. When appropriate, VA pursues debt collection by offsetting benefit payments for the full amount of the debt or by approved repayment installments.

Historical Payment Rate and Amount ($M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

During Q3, VA conducted a Social Security Administration (SSA) match with discrepancies in SSA income over $5.00. VA identified variances between SSA income a beneficiary is receiving and amount reported by the beneficiary. VA reviewed the variances, identified the largest potential overpayments, sent claims for claims processor review and corrective action, and established any debts, if appropriate, after statutory requirements for due process. VA conducted a review of Federal Tax Information (FTI) on initial applications requesting pension benefits (around 11,854 claims). The audit identified variances between income reported to the Internal Revenue Service (IRS) and amounts reported to VA on applications. Claims identified with variances were sent to claims processors to resolve and prevent overpayments. VA also conducted National Quality Review (NQR) audits (36 claims monthly) using a standardized checklist, which identified potential overpayments. A site visit was conducted that included claims reviews for income verification, rates, and effective dates, during which an effective date error was identified and communicated to the Pension Management Center (PMC). In Q4, VA will continue the SSA data match and review FTI on initial applications for variances. NQR audits will review 36 claims monthly, and VA will conduct a special focus review to ensure policies and procedures are properly applied in making accurate pension decisions to prevent future improper payments.

	Accomplishments in Reducing Overpayment	Date
1	Training was delivered during the St. Paul PMC site visit in Q3. Results from FY 2025 testing, error trends, and established corrective actions were shared to ensure program compliance and prevent improper payments.	Jun-26
2	VA reviewed 36 claims monthly in Q3 while conducting NQR audits using the consolidated pension checklist, to validate the proper policy and procedures were followed. See Note 1. Potential overpayments were sent to claims processors to resolve and prevent future overpayments.	Jun-26
3	VA established 5,122 claims for unmatched records identified during the quarterly SSA match due to potentially inaccurate Social Security number data that were sent to claims processors to resolve for improved reliability of matching programs.	May-26

Payment Integrity Scorecard

Program or Activity
Pension

Reporting Period
Q3 2026

	Goals towards Reducing Overpayments	Status	ECD
1	VA will conduct monthly NQR audits across the three processing locations. Claims will be reviewed based on a standardized checklist which includes identification of potential overpayments. VA plans to audit/review 36 claims monthly in Q4, FY 2026. See Note 1.	On-Track	Sep-26
2	During Q4, FY 2026, VA will conduct a special focus review to audit claims for compliance with policy in payment, income and expense accuracy by the claims processors. Claims with errors will be corrected and debts established for applicable overpayments. See Note 2.	On-Track	Sep-26

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	**Recovery Activity**	During Q4, FY 2026, VA will conduct monthly NQR audits across three processing locations. Claims are reviewed based on the consolidated pension checklist which includes identification of potential overpayments. VA will audit/review 36 claims monthly. See Note 1.	During Q3, FY 2026, VA conducted a NQR audit of 36 claims monthly. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.
2	**Recovery Activity**	During Q4, FY 2026, VA will provide training during the Pension Quality Call focusing on the final FY 2025 Payment Integrity Information Act of 2019 (PIIA) testing results of pension payments and corrective actions for program compliance to prevent future overpayments.	During Q3, FY 2026, VA conducted a site visit with the St. Paul PMC. Claims were reviewed for income verification, rates, and effective dates. Results and feedback from focused review audits of targeted program areas within claims processing were shared for training.
3	**Recovery Activity**	VA will continue to recover overpayments identified during special projects and the testing of payments required by the Payment Integrity Information Act of 2019 (PIIA). These activities include establishing debts if applicable. See Note 2	VA continues to take action to recover overpayments identified during special projects and the testing of payments required by PIIA. These activities include establishing applicable debts which are referred for collection. See Note 2.

Amt($)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$272M	Overpayments that occurred because of a Failure to Access Data/Information Needed.	Claims processors did not apply policies and procedures to pension claims timely which resulted in inaccurate pension rate decisions, which caused VA to overpay beneficiaries.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	VA performs staff training to ensure policies and procedures are properly applied in making accurate pension rate decisions to prevent future improper payments. Training will focus on human and unreported SSA errors identified during FY 2025 payment integrity testing.
			Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	VA conducts random reviews of claims processors' work to ensure policies and procedures are properly applied in making accurate pension rate decisions to prevent future improper payments. If applicable, corrective action includes establishing debts for overpayments.
		The Pension program is an income-based program. Beneficiaries did not report changes to SSA income to VA timely, which caused VA to overpay beneficiaries.	Automation - automatically controlled operation, process, or system.	VA conducts quarterly matches with SSA to identify variances between SSA income received versus amounts reported by beneficiaries to VA. Variances are indicators of potential overpayments. VA reviews differences to identify and prevent future overpayments.

The Pension program is a needs-based benefit, providing financial assistance to those who meet legislative requirements. Award payments are made based on an initial determination in response to a claim received and are not adjusted unless there is an indication of a change, such as changes to income, medical expenses, or net worth. The program continues to prioritize and implement strategies that reduce improper payments, while balancing the need to ensure Veterans and their survivors have access to financial assistance. The program made improvements to its corrective action plan that increased its ability to reduce improper payments. The Pension program reduced the error rate from 13.85% in FY 2024 to 9.99% in FY 2025, bringing the program under the 10% compliance threshold established by PIIA. The program expects to continue positive impact of these actions on its FY 2026 error rate. Note 1: NQR audits include Dependency and Indemnity Compensation, Burial, and the Pension program to which claims are allocated quarterly for auditing. The program implemented a consolidated Pension STAR checklist during FY 2025 for improved error identification within all program elements. Note 2: Once a debt is established by a claims processor, VA pursues collection of debts through lump-sum offset, or VA works with the beneficiary to establish payment plans, as agreed upon.