

# Payment Integrity Scorecard

Program or Activity Pension	Reporting Period Q4 2025	FY 2024 Overpayment Amount (\$M)*	\$382
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\*Estimate based a sampling time frame starting 10/2022 and ending 9/2023



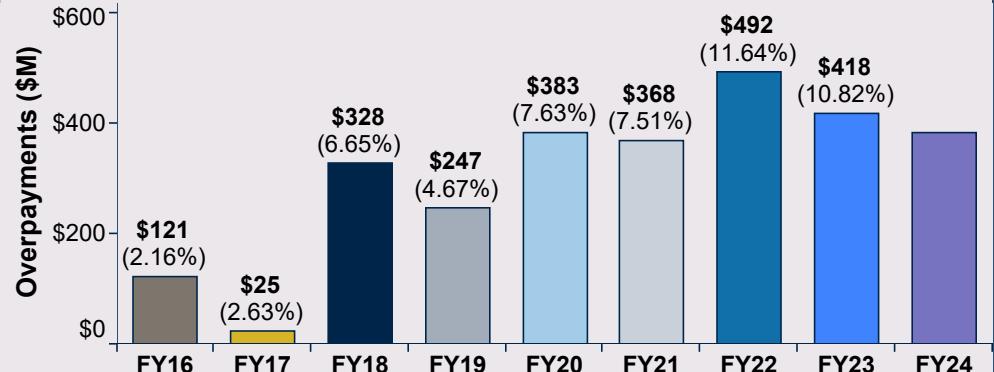
VA

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. A change in benefit payment occurs when a required adjustment is made due to a status change (e.g., change in income, net worth, medical expenses, dependency, etc.); which caused a projected \$381.78 million in monetary loss in FY 2024. A known barrier is relying on beneficiaries to notify the VA when they experience life or financial changes since these factors may impact continued eligibility. When applicable, the 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 Q4, VA received the quarterly Social Security Administration (SSA) match and identified variances between SSA income a beneficiary is receiving versus the amount reported by the beneficiary. VA reviewed the variances, identified the largest potential overpayments, and sent those claims weekly for claims processor review and corrective action, creating overpayments when applicable. VA also conducted an audit of Federal Tax Information (FTI) on initial pension applications (approximately 13,888 claims). This audit identified variances between income reported to the Internal Revenue Service (IRS) versus amounts reported to VA. Claims identified with variances were sent to claims processors to resolve and prevent overpayments. During Q4, VA conducted a Targeted Program Review (TPR) of the SSA income match that confirmed effective dates, income, and medical expenses were accurate to justify payments in all 40 case reviews. VA also conducted National Quality Review (NQR) audits (41 claims monthly) using a new consolidated pension checklist for improved error identification of potential overpayments. In FY 2026, VA will continue conducting the quarterly SSA data match, reviewing FTI on initial applications to detect variances, conduct monthly NQR audits, perform a site visit, provide training on PIIA activities, and complete special audits to ensure policies and procedures are properly applied in making accurate pension decisions to prevent future improper payments.

Accomplishments in Reducing Overpayment		Date
<b>1</b>	In Q4, VA completed a follow-up TPR of the SSA income match that included a review of income, medical expenses, and effective date accuracy that could impact PIIA. Of the 40 case reviews, no improper payments were identified.	Aug-25
<b>2</b>	Training was provided during the September 2025 Pension Quality Call to the Pension Management Centers (PMCs) which focused on the error cause categories and overall FY 2025 PIIA testing results to ensure program compliance and prevent improper payments.	Sep-25
<b>3</b>	VA reviewed 41 claims monthly in Q4 while conducting NQR audits using the new pension checklist, to validate that proper policy and procedures were followed. See Note 1. Potential overpayments were sent to claims processors to resolve and prevent future overpayments.	Sep-25

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Program or Activity
Pension

Reporting Period
Q4 2025

Goals towards Reducing Overpayments		Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Conduct monthly National Quality Review 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 41 claims monthly in Q1 FY 2026. See Note 1.	On-Track	Dec-25	1 Recovery Activity	During Q1, FY 2026, VA will conduct monthly National Quality Reviews across three processing locations. Claims are reviewed based on a new pension standardized checklist which better identifies potential overpayments. VA will review 41 claims monthly. See Note 1.	During Q4, FY 2025, VA conducted National Quality Reviews of 41 claims monthly. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.
2	During Q1, FY 2026, VA will conduct a special audit of 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	Dec-25	2 Recovery Activity	During Q1, FY 2026, VA will provide training on the standard operating procedures for processing claims impacted by 38 U.S.C. 5302B as a newly implemented portion of the SSA debt reduction process to prevent debt due to claims processing delays.	During Q4, FY 2025, VA provided PIIA training during the Pension Quality Call that focused on FY 2025 PIIA testing results of pension payments and trends to ensure program compliance and prevent future overpayments.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$382M	Overpayments within agency control 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 errors identified during FY 2024 payment integrity testing.
		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.	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.
			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. 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. Although the error rate for this program increased from 10.86% in FY 2023 to 13.85% in FY 2024, the program made improvements that will increase its ability to reduce future improper payments. The program obtained more details during testing to improve development of effective corrective actions and mitigation strategies planned for FY 2025. The program also updated testing procedures to correctly differentiate monetary loss from unknown payments, resulting in a \$36.28 million decrease in projected monetary loss in FY 2024. Note 1: NQR audits include DIC, Burial, and Pension program to which claims are allocated quarterly for auditing. Implementation of a consolidated Pension STAR checklist in Q4 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.