Payment Integrity Scorecard

Program or Activity	Reporting Period
Pension	Q4 2026

FY 2025 Overpayment Amount ($M)* **$272**

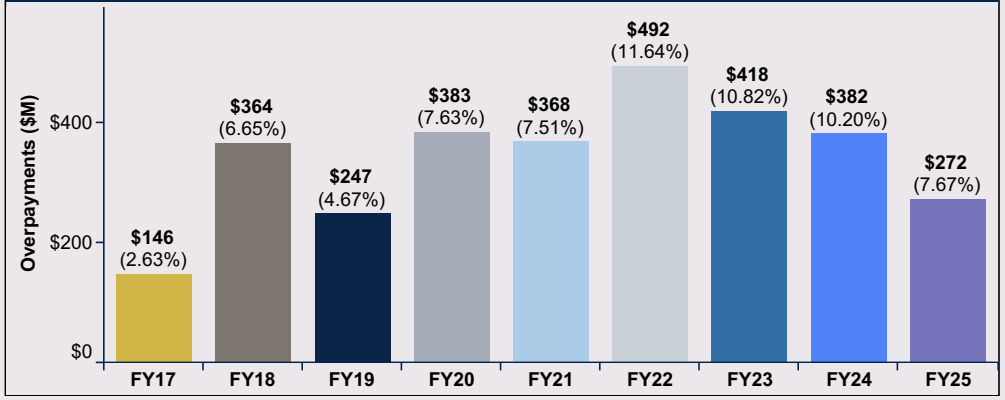
*Estimate based a sampling time frame starting 10/2023 and ending 9/2024

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 Q4, VA conducted a Social Security Administration (SSA) match with discrepancies in SSA income over $1. VA identified variances between SSA income beneficiaries received and amounts they reported. VA reviewed the variances, sent cases with the greatest potential overpayments to claims processors for review and corrective action, and established any debts, if appropriate, after statutory due process requirements. VA conducted a review of Federal Tax Information (FTI) for approximately 12,325 initial pension applications. The audit identified variances between income reported to the Internal Revenue Service (IRS) and amounts reported to VA on applications. Claims with variances were referred 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 targeted program review evaluated income verification, rates, and effective dates. The Pension Management Center (PMC) was notified of the findings, which reflected 95% benefit entitlement accuracy, and referred cases for the PMC to resolve. In Q1 FY 2027, VA will continue the SSA data match and review FTI on initial Veteran pension applications and running awards. NQR audits will review 36 claims monthly, and VA will conduct a targeted program 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 PMC Quality Call in Q4. Training covered FY 2026 preliminary findings, SSA income-match errors, user-error root causes and error trends. Mitigation strategies were also discussed to strengthen compliance and prevent improper payments.	Sep-26
2	VA reviewed 36 claims monthly in Q4 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.	Sep-26
3	VA compared FTI with beneficiary-reported income during Post-Award Audits, identifying 136 potential overpayments. Beneficiaries have 60 days to submit information that may reduce or eliminate overpayments, after which VA will review for potential adjustments.	Jul-26

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	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 and verification of beneficiary income. VA will share results and feedback from audits of targeted program areas within claims processing to ensure payment accuracy and compliance with payment integrity guidance. VA will continue to audit/review 36 claims monthly in Q1, FY 2027. See Note 1.	On-Track	Dec-26
2	During Q1, FY 2027, VA will conduct a Targeted Program Review (TPR) to audit claims for compliance with policy in payment, income and expense accuracy by the claims processors. The TPR will identify root causes of any errors found in reviewed claims. Claims with errors will be corrected and debts established for applicable overpayments. VA will release the TPR with the findings to the PMCs, and take action as necessary, such as providing training to claims processors. See Note 2.	On-Track	Dec-26

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	**Recovery Activity**	During Q1, FY 2027, 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..	During Q4, FY 2026, VA conducted a NQR audit of 36 claims monthly across three processing locations. NQR audits include verification of beneficiary income. Claims with potential overpayments were sent to claims processors to resolve and prevent future overpayments.
2	**Recovery Activity**	During Q1, FY 2027, VA will begin preparing for a site visit with the Philadelphia PMC. VA will review claims and share results and feedback from focused review audits of targeted program areas within claims processing to ensure program compliance and payment accur..	During Q4, FY 2026, VA provided training during a Pension Quality Call focusing on the FY 2026 preliminary findings, root causes of errors from unreported SSA and user errors, in addition to corrective actions for program compliance to prevent future overpayments.
3	**Recovery Activity**	VA will continue to recover overpayments identified during special projects, focused reviews, 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, focused reviews, 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 to account for beneficiary medical expenses. Because these expenses reduce countable income and affect the award, delays led to incorrect pension rates and VA overpayments.	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.
		Claims processors did not apply policies and procedures to pension claims timely to update dependency. Dependency status impacts a beneficiary's countable income. This 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.
		The Pension program is an income-based program. When income increases are not promptly reported, VA continues paying benefits based on outdated income information. Beneficiaries did not report changes to SSA income to VA timely, which resulted in 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. 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.