Administrative Tolerance

If you can make an administrative tolerance determination, do not use the streamlined waiver processing instructions. The overpayment period is not a factor in a waiver determination based on the $1,000 administrative tolerance. Revert to streamlined or split waiver decision processing instructions when administrative tolerance is not applicable.

Title XVI Administrative Tolerance Determination:

For an administrative tolerance decision to be applied to a waiver request:
- The original overpayment amount (OPA) is $1,000.00 or less.
  - If the sequence decreases, it will not affect the OPA.
  - If the sequence increases the OPA and the overpayment remains $1000.00 or less, you may waive the overpayment under the administrative tolerance.
  - The administrative tolerance does not apply if the overpayment sequence requires more than one fault determination.
    - For example, if the overpayment has multiple reasons and includes a month overpayment due to DCN and two months overpaid due to wages, there would be two fault determinations needed.
- The overpayment period is not a factor.
- The overpaid person cannot be at fault.

Title XVI Administrative Tolerance Example:

An SSI RZ is completed for the period January 1, 2020 through May 31, 2020. All evidence is in file and ready to be adjudicated in June 2020; however, adjudicating the case will result in overpayment spanning the months of January 2020 through June 2020 in the amount of $800.00. The case is held because it would result in an adverse action (i.e. reduced SSI through the pandemic). It is adjudicated on September 2, 2020, and an overpayment letter sent. The recipient contacts the field office to request an overpayment waiver and the technician documents the request on a DROC.

Although the overpayment has months both in and outside of the pandemic period, the technician documents proposing waiving the overpayment under administrative tolerance procedures and submits the case to the SharePoint. The reviewer agrees with the determination and the technician approves the waiver under administrative tolerance provisions.

Title II Administrative Tolerance Determination:

To apply an administrative tolerance decision to a waiver request, all of the following must be true:
- The original overpayment amount is $1,000.00 or less. The total liability for the overpaid person is $1,000 or less.
- The overpayment period is not a factor.
- The overpaid person cannot be at fault.
- The overpaid person, representative payee or appointed representative must request a waiver.
Title II Administrative Tolerance Example:
BIC C2 reported on an SSA-1372 that student enrollment terminated in January 2020. SSA held this action and completed this input in September 2020 and no subsequent enrollment changes occurred. The beneficiary is overpaid from February 2020 to September 2020 in the amount of $750.00

Although the overpayment has months both inside and outside of the pandemic period, the technician documents proposing waiving the overpayment under administrative tolerance procedures and submits the case to the SharePoint. The reviewer agrees with the determination and the technician approves the waiver under administrative tolerance provisions.