



CLIENT BULLETIN

SSA Makes Changes to Public Death Master File

Change Will Make It Harder For Pension Plans To Prevent Fraud

With little fanfare, on November 1, 2011 the Social Security Administration (SSA) made changes to the Public Death Master File (DMF) that will generally render it useless for pension plans to use as a fraud prevention tool.

Although news of the change to the Public DMF has taken awhile to filter out, most of the current outcry has been from genealogists. Upon investigation, it appears pension plan professionals and organizations have been shut out of the hearings held by Congress. Apparently, part of the impetus behind the change were incidents where information on children who have died was used to "steal" the child's identity to obtain fraudulent credit cards using the child's SSN. For more information, see the following article that was published in the Chicago Sun-Times on November 25, 2011: "[Senators try to block ID theft of the deceased.](#)" (Accessed September 19, 2012) and [SSA's statement to Congress](#). Pension plans should add their voice to the fray and push for a change to allow use of the Public DMF *with modifications to help prevent identity theft.*

Background on the Public DMF

According to the [SSA Fact Sheet](#) announcing the change, the Public DMF is a file of all deaths reported to SSA from sources other than States, beginning around 1936. Although SSA notes it is not a complete file of all deaths and does not guarantee the accuracy of the DMF, it was a one-stop resource for pension plans to compare their pay-status members to reported deaths to ensure that surviving dependents do not continue to cash the deceased pensioner's checks.

SSA created the Public DMF in 1980 as a result of a 1978 Freedom of Information Act (FOIA) lawsuit in the Federal District Court. SSA made the Public DMF available through an agreement with the National Technical Information Service (NTIS), which is a part of the Department of Commerce. SSA receives death reports from family members, funeral homes, hospitals, States, Federal agencies, postal authorities and financial institutions. Although an excellent resource, the DMF is not without error and is estimated to contain the names of over 11,000 people who are still alive.

The Change to the Public DMF

SSA stated that it began disclosing certain state records on the Public DMF in 2002, but after reviewing the Public DMF it determined that it could no longer disclose protected State records. SSA cited to [Section 205\(r\) of the Social Security Act](#) which prohibits SSA from disclosing State death records received through its contracts with the States, except in limited circumstances. SSA concluded that it cannot legally share those State records on the Public DMF.

The change will affect the size of the Public DMF. SSA notes that in 2010, it shared approximately 2.8 million death records, including updates or changes, on the Public DMF. It expects that yearly number to decrease by approximately 1 million. In addition, the historical Public DMF currently contains 89 million records and is expected to decrease by approximately 4.2 million records.

While State vital statistics offices are the first point of collection for death data, canvassing all 50 states would be cumbersome, time consuming and more costly than running a match against the Public DMF. Additionally, many states have restrictive laws on the disclosure of vital statistics such as death certificates.

Pension plans or their vendors who use the Public DMF should be aware of this new limitation and investigate additional measures to take to monitor deaths of pensioners. While most pension plans outsource the "death audit" function, no doubt this change will impact the manner and costs for vendors to perform such searches. Pension plan administrators may wish to ask their death audit vendor how this change to the Public DMF will impact the vendor's services. We are continuing to research this matter.

In the interim, Trustees, administrators and TPAs are encouraged to voice concern about this change and what it means to pension plans and the pension plan industry by contacting the House Ways and Means Social Security subcommittee at:

Ways and Means Committee Office
1102 Longworth House Office Building
Washington D.C. 20515
P: 202-225-3625
F: 202-225-2610

* * *

LEGAL DISCLAIMER: Information contained in this publication is not legal advice, and should not be construed as legal advice. If you need legal advice upon which you can rely, you should seek a legal opinion from your attorney.