

The Daily Dish

Death and Your Federal Government

DOUGLAS HOLTZ-EAKIN | JULY 21, 2020

Eakinomics: Death and Your Federal Government

Eakinomics apologizes for its recent obsession with death, but I've been in search of topics cheerier than the pandemic, Congress, or the administration. The occasion for today's observations is Gordon Gray's superb piece on Numident and the Death Master File (DMF), a piece that was, in turn, prompted by the fact that Treasury recently sent on the order of 1 million checks, totaling about $1.4 billion, to dead people. This is actually a pretty low error rate since there were roughly 160 million checks sent out, but it did raise the question: How was Treasury supposed to know who had died?

As it turns out, the Social Security Administration (SSA) is the chief curator of death records in the federal government with the obvious goal of ceasing payment of Social Security benefits upon death. According to Gray, the "SSA maintains a master registry containing identifying information of all holders of assigned Social Security numbers, known as the Numerical Index File, or Numident. When an individual dies, that fact is denoted in their Numident record with a date of death and a death indicator to facilitate a stoppage in paid benefits." It obtains data largely from states (as well as funeral homes, families, etc.).

Sounds like a plan. Unfortunately, over time state data increasingly has come in the from the state-based Electronic Death Registration System (EDRS), and the Social Security Act prohibits sharing data obtained from the states with benefit-paying agencies. This prohibition presumably would halt the flow of the death data across the government except for the fact that in 1978 a Federal Postal Service official realized that the Service might be spending millions on pension benefits to deceased postal workers. He sued the SSA for access to the death data under the Freedom of Information Act (FOIA), under the logic that dead people did not have privacy protection under FOIA.

The suit was never decided; instead SSA agreed to a consent decree that remains in place to

this day. Under the decree, the SSA produces a subset of the Numident that strips out the state-supplied data and is shared with other agencies. This subset goes by the nifty name of Death Master File. Among the agencies restricted to using the DMF instead of the full Numident is the Treasury Bureau of the Fiscal Service, which sent the checks. As Gray notes, "Beginning with the 4th batch of payments, the IRS did provide the Bureau of the Fiscal Service with temporary access to the full death file until the IRS was able to set up its own internal process for doing so thereafter."

In short, there was a patch on the system for purposes of sending the checks, but the larger information-sharing challenge remains.