

Under Trump, Social Security Resumes What It Once Called ‘Clawback Cruelty’

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The Trump administration will revert to subtracting 100% of Social Security overpayments from all identified recipients beginning at the end of March, KFF Health News and Cox Media Group report. Many overpayments are the result of government error.

By David Hilzenrath and Jodie Fleischer

A year ago, a new head of Social Security set out to stop the agency from [financially devastating](#) many of the people it was meant to help.

The agency had long made it a practice to reduce or halt benefit checks to recoup billions of dollars in payments it sent recipients but later said they never should have received.

Martin O'Malley, then the Social Security Administration commissioner, [announced in March 2024](#) the agency would no longer cut off people's monthly old-age, survivors, and disability checks to recoup money they had allegedly been overpaid — a pattern he called “[clawback cruelty](#).” Instead, it would default to withholding 10% of monthly benefits. The new policy allowed people who already live on little to pay their rent and keep food on the table.

On March 7, the Trump administration reversed that policy.

Beginning March 27, to recover new overpayments, the Social Security Administration will automatically withhold 100% of recipients' monthly benefits, [the agency announced](#).

The agency said it was acting in the interest of fiscal responsibility and that the reversal would save the government about \$7 billion over a decade.

“It is our duty to revise the overpayment repayment policy back to full withholding, as it was during the Obama administration and first Trump administration, to properly

safeguard taxpayer funds,” acting Commissioner Lee Dudek said in a news release.

Advocates for Social Security beneficiaries described the action as cruel and harmful, according to this report by [KFF Health News and Cox Media Group](#).

“The results are predictable: more unnecessary suffering,” said Kathleen Romig, who worked at the Social Security Administration under O’Malley and is now director of Social Security and disability policy at the [Center on Budget and Policy Priorities](#).

Kate Lang of the advocacy group [Justice in Aging](#) said she was heartbroken.

“Those who are most vulnerable, with the fewest resources, are the ones who will feel the harsh impacts of this change,” she said. Many “are going to be unable to buy food or keep the roof over their head,” she said.

In 2023, after [an investigation](#) by KFF Health News and Cox Media Group cast a spotlight on overpayments and clawbacks, lawmakers from both parties called on the Social Security Administration to change its approach.

The policy change a year ago was inspired in part by the plight of people such as Denise Woods, who was [sleeping in her Chevy](#) in Savannah, Georgia, in December 2023 while contending with lupus and congestive heart failure after the government cut off her disability benefits. The government was demanding she repay almost \$58,000.

Many overpayments are the result of government error. It can take the government years to figure out it has been paying someone too much, and by then, the amount the government says it is owed can grow far beyond a beneficiary’s ability to repay. And it has often demanded that recipients repay the full amount within 30 days.

As of October, the SSA was withholding at least a portion of monthly benefit payments from hundreds of thousands of people, according to data the SSA provided last fall to KFF Health News and Cox Media Group. The agency said it was withholding up to 10% from 669,903 people to recoup an overpayment. Asked whether those numbers covered all types of benefits administered by the SSA, the agency’s press office didn’t say.

“Under Trump’s leadership, Social Security has reinstated a cruel policy of clawing back Social Security overpayments with no regard for an American’s ability to pay or whether the overpayment was an error by the agency,” said Sen. Ron Wyden of Oregon, the top Democrat on the Senate Finance Committee.

The new plan to completely withhold monthly benefits from recipients who were allegedly overpaid does not extend to the Supplemental Security Income program, one of two Social

Security programs for people with disabilities. SSI, [as the agency explains](#), covers “people with disabilities and older adults who have little or no income or resources.”

The government’s estimate that cutting people off completely will save \$7 billion over a decade implies it expects many more overpayments in the years ahead.

The SSA’s March 7 announcement was part of a broader dismantling of Biden-era policies under President Donald Trump. It was also part of a broader upheaval at the Social Security Administration, which announced in February that it would [cut its staff](#) from about 57,000 to 50,000.

In an interview March 10, O’Malley predicted that the public will experience much longer wait times trying to get through to the agency by phone and longer waits for disability determinations.

Social Security runs on a very old computer system, he said, and driving people out of the agency who understand it “can only result in system collapse.”

“The risk of totally shutting down the agency is greatly increased by people mucking around that don’t know what they’re doing,” O’Malley said.

On the PBS NewsHour, he advised recipients to save money to prepare for an interruption of benefits.

Trump deputy Elon Musk has boasted of taking a [chainsaw to the federal government](#) and has called Social Security a [Ponzi scheme](#). In a [signed declaration](#) filed [in federal court](#) last week, a recently retired SSA official, Tiffany Flick, said she “witnessed a disregard for critical processes” as members of DOGE — the Department of Government Efficiency, which Trump established by executive order — demanded access to sensitive Social Security systems, including files that contain beneficiaries’ banking information.

New management at the SSA called its workforce “[bloated](#).” But, under the previous administration, the agency was telling a starkly different story.

A year ago, O’Malley [told lawmakers](#) that, as the number of people receiving benefits increased, “historic underfunding and understaffing” at the agency had created a “service delivery crisis.”

Late last year, the agency provided data to KFF Health News showing that in September its workforce was near a 50-year low. As of last month, applicants for disability benefits were waiting an average of more than seven months for a decision, according to the [SSA website](#).

The staffing cuts will lead to more overpayments than ever and will make it harder for the

people affected to clear up mistakes, said Jen Burdick, an attorney at Community Legal Services of Philadelphia.

As KFF Health News and Cox Media Group [revealed in 2023](#), about 2 million people a year were receiving notices from the SSA that they were overpaid and owed money back.

People can appeal overpayment notices, request a lower withholding rate, or ask the SSA to waive collection altogether, the agency said. The SSA does not pursue recoveries while an initial appeal or waiver request is pending, it said.

Shortly before O'Malley left the SSA in November, the agency implemented changes that made it easier for beneficiaries to get overpayments waived. The agency [spelled out grounds](#) for determining the beneficiary was not at fault — for instance, if the agency continued to issue overpayments after the beneficiary reported a change in their financial circumstances that should have led to a reduction in benefits. Those policy changes remain intact.

Several Republicans who expressed concern about clawbacks in the aftermath of 2023 news coverage did not respond to inquiries for this article or declined to comment. One of them was Sen. Rick Scott (R-Fla.), who is now chair of the Senate's Special Committee on Aging.

“Hardworking American taxpayers pay into Social Security all of their lives so that they can depend on it in the time they need it most,” Scott said in a 2023 [letter to the agency](#). “The fact that the SSA’s actions are leaving some of them worse off, through no fault of their own, is absolutely unacceptable.”
