

# Trump Administration Retreats From 100% Withholding on Social Security Clawbacks

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*A Biden administration policy capped the overpayment of Social Security clawbacks at 10%. Then the Trump administration came down hard with its overpayment demands on beneficiaries. Now there's a quietly introduced change.*

## By David Hilzenrath and Jodie Fleischer

The Social Security Administration said it is backing off a controversial plan it announced in March to withhold 100% of many beneficiaries' monthly payments to claw back money the government had allegedly overpaid them.

The [Social Security Administration](#) has been overpaying billions of dollars to people, many on disability — then demanding the money back, even if the government made mistakes, according to an investigation by [KFF Health News](#) and Cox Media Group. The reporting has triggered harsh criticism in Congress and led to an investigation by the agency.

Instead, the agency will default to withholding 50% of old-age, survivors, and disability insurance benefits, the agency said in an “[emergency message](#)” to staff dated April 25.

The agency long made it a routine to halt benefits to recoup billions of dollars it sent recipients but later said they should not have received. A policy under the Biden administration to provide relief to beneficiaries, who often live on the fringe of poverty, last year had capped the clawbacks at 10%.

The partial reversal is another twist in the Trump administration's tumultuous approach to Social Security, which has included [staff cuts](#) and the acting commissioner's threat, which has [since been withdrawn](#), to essentially [shut down the agency](#).

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## Social Security Overpayment Outrage Hits Home

The latest emergency message involves the agency's practice of paying beneficiaries money they were not supposed to receive — and then, often after years have passed and the amounts have ballooned to tens of thousands of dollars or more per person — demanding the money back, even if the overpayment was Social Security's fault. In many cases, recovering the money had entailed withholding 100% of Social Security monthly benefits.

Millions of beneficiaries, including people struggling to get by on monthly checks, have received overpayment notices, a [2023 investigation](#) by KFF Health News and Cox Media Group found. Clawbacks [have left some homeless](#), the news organizations reported.

In the aftermath of that reporting, Martin O'Malley, tapped by President Joe Biden in 2023 to head the agency, sought to end what he described as "grave injustices" that left people "in dire financial straits."

In March 2024, O'Malley said the agency would stop "[that clawback cruelty](#)" of intercepting 100% of a beneficiary's monthly check if they fail to respond to a demand for repayment. Instead, the agency would default to withholding 10% of the recipient's monthly benefits, he said.

A year later, the Trump administration [reversed that policy change](#), returning to 100% withholding for new overpayments. "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 SSA Commissioner Lee Dudek said in a [March news release](#).

Now, in a pattern that has played out on multiple fronts during the first 100 days of President Donald Trump's second term, the administration is partly reversing the reversal.

## Latest Trump action impact on Social Security beneficiaries.

Instead, the agency will default to withholding 50% of old-age, survivors, and disability insurance benefits, the agency said in an "[emergency message](#)" to staff dated April 25. This time, it issued no news release.

"I think that we had the policy right before," O'Malley said in an interview April 28. "We looked at the various break points, and if you would depend entirely on your Social Security check, having half of it interrupted means what? That means you go without paying your heating bill for the month; that means you'd go without your medicine instead

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of buying medicine and food.”

“So it was a cruel-hearted policy before,” he added.

At 50%, “it’s half as cruel, but it’s still cruel.”

Withholding even 50% of monthly benefits will “cause hardship for many older and disabled people,” 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](#). “Going without half a Social Security check would make it harder for many people to afford basic needs like housing, food, and health care,” Romig said.

The SSA press office did not respond to questions.

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