

WHO CONTROLS THE MONEY?

UNDERSTANDING THE ROLE OF REPRESENTATIVE
PAYEES AND ORGANIZATIONAL PAYEES

Casey Smith

Partnerships in Community Living, Inc.

Sue van der Naald

Clackamas County CDDP

Alan Lytle

OTAC

Who's
here
today?



REPRESENTATIVE PAYEES

HOW THEY ARE APPOINTED &
THEIR BASIC RESPONSIBILITIES

WHAT IS A REPRESENTATIVE PAYEE?

- A **representative payee** is a person, agency, organization or institution selected to receive and manage benefits on behalf of an incapable or legally incompetent beneficiary.
- An **organizational representative payee** is a business, company or the like, and includes a social service agency, state or local government agency, or a financial organization that manages benefits on behalf of an incapable beneficiary.

HOW AND WHY IS A REP PAYEE APPOINTED?

- Social Security Administration (SSA) selects a payee when someone is not able to manage or direct the management of their finances because of their age, or a mental or physical impairment.
- **Representative payees are not appointed as a convenience.** SSA will never appoint a representative payee solely for a beneficiary's convenience or their personal preference.

WHO SERVES AS THE REPRESENTATIVE PAYEE?

- SSA looks first to relatives or close friends when looking for a representative payee.
- If they are not available, SSA looks to other community sources and organizations.
- Some organizational payees offer their services voluntarily.
- In certain cases, SSA may allow **organizational payees** to charge a fee to provide payee services. SSA has special Fee for Service (FFS) rules that apply.



REPRESENTATIVE PAYEES **MUST:**

- Use his or her payments to meet the beneficiary's needs, including
 - Food
 - Clothing
 - Shelter
 - Medical expenses
 - Personal items



Once these needs have been met, payees may use the remaining funds for the beneficiary's personal comfort items, recreation and miscellaneous expenses.

REPRESENTATIVE PAYEES **MUST:**

- Conserve any money left over after meeting the beneficiary's current needs
- Keep financial records for the beneficiary
- Report any event that may affect the beneficiary's entitlement to benefits or payment amount such as a return to work
- Notify SSA of changes in the person's condition or the payee's ability to perform their duties
- Submit reports to SSA, as requested, of how benefits were spent or conserved



BEING A PAYEE **DOES NOT** GIVE THE AUTHORITY TO:

- Manage the beneficiary's non-social security income
- Use the beneficiary's Social Security or SSI benefits for anything other than the beneficiary's needs
- Spend the beneficiary's Social Security or SSI funds in a way that would leave him or her without necessary items or services (housing, food, clothing, medical care)
- Make medical decisions for the beneficiary
- Deposit the beneficiary's benefits into the payee's personal account
- And other limitations defined by SSA





MYTHBUSTING

- If the person has a representative payee, the payee is **legally responsible** for managing benefits the person receives.

MYTH:

The ISP team has final say over what the person can spend their money on.

BUSTED

- If you observe any misuse of a person's benefits, report it to Social Security.

MYTH:

If the person's room and board doesn't get paid, nothing can be done about it.

BUSTED

- The representative payee must use good judgement and follow the spending priorities established by SSA.
- Once current needs are met, remaining money may be spent on the person's priorities.

MYTH:

It's okay for payees to make values-based decisions about how the person spends their money.

BUSTED

- The payee must report if the person starts or stops working.
- The beneficiary is responsible to report any wages or self-employment income to SSA.
- A **Financial Plan** can help the team think through and record who is responsible to report income.

MYTH:

Reporting outside income is always done by the representative payee.

BUSTED

- SSA can re-determine the need for a payee if circumstances change in the person's life.

MYTH:

Once a representative payee is assigned, the person will always have one.

BUSTED

- SSA determines if a beneficiary needs a representative payee.
- A person making a bad decision about spending money doesn't automatically result in a payee being appointed.

MYTH:

Everyone who is eligible for I/DD services needs a representative payee.

BUSTED



WHAT TO DO WHEN YOU SUSPECT PROBLEMS

HOW TO REPORT SUSPECTED FRAUD

TO REPORT SUSPECTED FRAUD

- Report online at <https://oig.ssa.gov/report>
- Report by calling your local Social Security branch or 1-800-269-0271





RESOURCES

MORE RESOURCES

www.OregonISP.org/financial-supports

Social Security Administration www.ssa.gov



THANK YOU!

PLEASE COMPLETE YOUR EVALUATION FORM