

# WHO CONTROLS THE MONEY?

UNDERSTANDING THE ROLE OF REPRESENTATIVE  
PAYEES AND ORGANIZATIONAL PAYEES





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**Today's  
Presenters**

Please take a moment to respond  
to our poll questions.

**Who is  
here  
today?**



# REPRESENTATIVE PAYEES

HOW THEY ARE APPOINTED &  
THEIR BASIC RESPONSIBILITIES

# TERMS TO KNOW

- Social Security Administration (SSA)
- Beneficiary
- Fee-for-service Payee (FFS Payee)

# WHAT IS A REPRESENTATIVE PAYEE?

A **representative payee** is a person, agency, organization or institution appointed by Social Security Administration (SSA) to receive and manage benefits on behalf of an incapable of managing their Social Security or SSI benefits.



# WHAT IS A REPRESENTATIVE PAYEE?

An **individual payee** is a person selected by SSA to manages benefits on behalf of a beneficiary.

- Family members or friends are sought to serve in this role whenever possible.
- No fee may be charged for serving as an individual payee.

Representative Payee guidebook  
available at [ssa.gov](https://ssa.gov)



# WHAT IS A REPRESENTATIVE PAYEE?

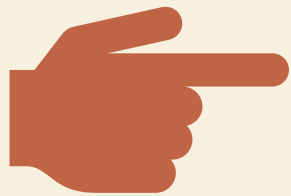
An **organizational representative payee** is a qualified company or agency that manages benefits on behalf of a beneficiary.

–If approved by SSA, a fee may be charged for this service.

Organizational Payee guidebook  
available at [ssa.gov](https://ssa.gov)

# 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 payee 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.



# FEE-FOR-SERVICE PAYEES

- **Individual payees** cannot charge a fee for providing representative payee services.
- **Organizational payees** must apply to SSA and be approved to charge a fee for service.

## To qualify as a FFS payee, an organization must:

- Be a state or local government agency, OR
- Be a community based, non-profit social service agency that is bonded and licensed

## In addition, the organization must:

- Regularly provide representative payee services to at least five beneficiaries,
- Not be a creditor of the beneficiary, and
- Apply to SSA and be approved to charge a fee.

**Current maximum fee is  
\$43 per month**

Could be more in special  
circumstances

# 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
- Submit reports to SSA, as requested, of how benefits were spent or conserved
- 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

**Social Security Administration  
Representative Payee Report**

Please complete the enclosed **Representative Payee Report** and return it to us. We must ask you to complete this report when you receive Social Security or Supplemental Security Income (SSI) payments for another person. We use the facts you give us to make sure that you are using the payments to meet the person's needs.

We changed two questions on the report this year. Our intent in asking the new questions (Items 6-C and 7) on the form is to make sure that the beneficiary's immediate needs are being met, and to record the amount of benefits you may have saved for the beneficiary.

**What You Need To Do**

Please read the instructions before you complete the report. This is important because not all questions are self-explanatory. Then, complete your report and send it to us in the enclosed envelope within 10 days from the day you received it. If you do not return it promptly, we may stop sending checks to you.

**General Instructions**

To help us process your report, please follow these instructions.

1. Use black ink or a #2 pencil.
2. Keep your numbers and "X's" inside the boxes.
3. Try to make your numbers look like these:  

|   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|
4. Do not use dollar signs.
5. Enter money amounts in dollars only. Do not show cents. Show \$540.90 like this:  

|               |  |     |
|---------------|--|-----|
| DOLLAR AMOUNT |  |     |
|               |  | 540 |
6. Continue to keep records of how you use the Social Security or SSI money, but do not submit receipts, cancelled checks or any other records with this report. If we need to verify the facts you give us, we will contact you.

**Some Definitions**

**Benefit**—The Social Security and SSI money you receive.

**Beneficiary**—The person for whom you receive Social Security or SSI benefits.

**Custodian**—The person or institution the beneficiary lives with.

**Payee**—You. The person who receives Social Security or SSI benefits for someone else.

**Report Period**—The months for which you must account on this report. The report period is shown at the top of the form, near your name.

FORM SSA-823-PS (7-91)  
Destroy once filled in.

Continued on the  
Reverse →

# 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 decisions based on their own values about how the person spends their money.**

**BUSTED**

# REPRESENTATIVE PAYEES **MUST:**

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

- 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](http://www.OregonISP.org/financial-supports)

Social Security Administration [www.ssa.gov](http://www.ssa.gov)



**QUESTIONS?**



**THANK YOU!**

**PLEASE COMPLETE AN EVALUATION AS THE  
WEBINAR ENDS**