



More Monitoring of Representative Payees

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The Social Security Administration (SSA) has appointed millions of [*representative payees to manage Supplemental Security Income \(SSI\) and Social Security Disability Insurance \(SSDI\)*](#) for individuals who are unable to handle their own finances. Such assistance, which is provided to minors, as well as those with cognitive disabilities or substance abuse problems, may be critical, since these government benefits are often central to the beneficiary's economic security.

Representative payees must apply to SSA and submit to an in-person interview to be considered for this responsibility. Although legal guardians are given preference, they must undergo the same approval process as others, and a power of attorney does not provide authority to perform this role.

In recent years, though, advocates have warned that there were gaps in SSA's management of the program, and there have been hearings, studies and legislation in attempts to rectify the situation. As part of that effort, I served on a National Academy of Sciences panel commissioned by SSA to analyze the process for determining whether or not someone lacks the capacity to handle their own finances. We were also asked to assess if there was a significant unserved population or if too many representative payees were being appointed.

Our findings? Almost no one gets a representative payee if they don't truly require one, and many beneficiaries lack the assistance they need. This is at least partially due to not giving enough weight to real world assessments by those they regularly interact with. Today, a doctor's evaluation—consisting of a checked box that lacks supporting detail—is the primary determinant.

It remains to be seen how our recommendations will be implemented, and our panel focused on only some of the problems that had been identified. In the meantime, recently passed bipartisan legislation, Strengthening Protections for Social Security Beneficiaries Act of 2018, heads in the right direction. SSA is aware that more remains to be done, and discussions are continuing. The new law:

- mandates evaluation of the preference list used by SSA in selecting representative payees;

- allows beneficiaries to designate a preferred payee prior to needing one;
- increases and strengthens the monitoring of representative payees;
- codifies the ban against naming representatives with certain criminal convictions or who have payees of their own;
- expands information sharing between SSA and other agencies that serve the same populations; and
- eliminates the need for payees who are spouses or parents living with minors to file annual accountings.

A Tough Job

Representative payees sometimes fail to understand the breadth of their responsibilities. They must:

- regularly spend time with the beneficiary in order to understand their requirements and put funds to the best use;
- pay the beneficiary's bills and taxes;
- invest benefits that aren't spent on immediate needs;
- maintain detailed records of how funds are used and file an annual report with SSA;
- understand SSI eligibility regulations in order to notify SSA if payments should be adjusted and return overpayments to the agency;
- ensure that minors are receiving necessary medical care; and
- report changes in the beneficiary's personal situation, such as improved health, approval for other government benefits, getting married, beginning to work, becoming unemployed, or relocating.

Only authorized payee *organizations* are allowed to charge for this service, and the beneficiary's funds should never be mingled with anyone else's. Payees are not authorized to sign legal documents or to act as the individual's representative for non-SSA matters.

For more information on the representative payee program, visit [SSA's website](#).

Posted June 2018

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