



Understanding the Role of Representative Payee

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According to the Social Security Administration (SSA), over seven million individuals currently require assistance with their monthly SSI (Supplemental Security Income) or Social Security Retirement, Survivors and Dependents Insurance (RSDI) benefits. For that reason, SSA has the Representative Payee Program, through which it authorizes family members, friends, government agencies, and other organizations to receive benefits and act on behalf of the eligible individual in communications with the agency. The need for a payee is based primarily on an individual's capability to manage his or her own funds.

Most individuals under age 18 and all incompetent adults who receive SSI or RSDI benefits [must have a representative payee](#), although the SSA sometimes requires a payee for others whom it deems unable to manage his or her own benefits, such as those with a drug or alcohol addiction. The SSA favors family members who have custody of the individual as the payee, but some persons may be prohibited from being a representative payee, such as those with a history of criminal or benefit misuse activities.

The representative payee designation is sometimes confused with a power of attorney or court created guardianship or conservatorship, but they are not interchangeable. Only the SSA can grant the right to manage another person's RSDI or SSI benefits. This is done through an application process initiated by the agency.

Many Responsibilities

Representative payees often underestimate the work, or even the liabilities, that the role entails. These include:

- Understanding SSI eligibility requirements. This needs-based program requires that beneficiaries have no more than \$2,000 in "countable resources" (\$3,000 for married couples) and most sources of cash income or other types of support may affect benefit amounts. Representative payees must inform the SSA of events that affect a beneficiary's eligibility or the benefit amounts to which they are entitled. They must [return benefit overpayments to the SSA](#).
- Ensuring that benefits are effectively used to meet the beneficiary's needs to the best extent possible with the amount available. SSA encourages representative

payees to actively understand the beneficiary's daily life needs and to coordinate with others providing supports and services to the individual.

- Handling the timely payment of bills and taxes.
- Communicating needs to the individual's family, if appropriate.
- Maintaining accurate records.
- Assisting the beneficiary in obtaining food, shelter, medical care and other essentials, as needed.
- A representative payee can become personally responsible for intentional and unintentional errors allowing benefits to be stolen, lost, or overpaid, including having the representative payee's own Social Security benefits withheld to pay back an overpayment.

While payee organizations can charge a modest fee for their services, individuals are barred from receiving compensation for performing these duties.

Ground Rules

There are strict guidelines for managing another individual's benefits. Payments are to be used solely for the benefit of the individual, generally to purchase necessary goods and services. However, a representative payee is not prohibited from using the funds to pay for the individual's fair share of common expenses if living with the payee. Funds should not be commingled with those belonging to the representative payee, but must be placed in a separate bank account that belongs to the beneficiary and that lists the representative payee in a fiduciary capacity. Money that isn't quickly expended should be placed in an interest-bearing account or be used to purchase savings bonds. An annual report must be filed with the SSA generally describing how the funds have been expended.

It is crucial to keep a detailed record of benefits received and how they are used. All receipts and bank statements should be retained in order to support an inquiry by the SSA. Common mistakes include maintaining incomplete records and failing to provide documentation that adequately demonstrates that expenditures were for the benefit of the beneficiary.

For more information, visit SSA's website: <https://www.ssa.gov/payee/>.

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