

Fiduciary Resource Guide for Representative Payees Appointed by the Social Security Administration

Information from State Employees' Credit Union

State Employees' Credit Union®



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Social Security Administration

When the Social Security Administration (SSA) determines that a person receiving SSA benefits (beneficiary) needs assistance managing SSA funds, a Representative Payee is appointed. The Representative Payee is responsible for using the benefits to provide food, shelter, clothing and other necessities of the beneficiary. If you have been appointed as Representative Payee for a friend or loved one, this resource guide will help explain what you should and should not do in this role. Best practices for serving as Representative Payee are as follows:

- **Keep funds separate**
 - > Do not commingle funds with the beneficiary's other funds
 - > Do not commingle funds with your personal funds
 - > Open a separate account, designated as a "representative payee" account.
 - The beneficiary should not have access to this account
 - SSA benefit should be the only source of funds going into this account
 - Pay for items/necessities for the beneficiary from this account
- **Be diligent**
 - > Pay bills on time
 - > Keep a list of all expenses, debts, etc.
 - > Funds should be used for the needs of the beneficiary (food, shelter, etc.)
- **Keep detailed records**
 - > Detail funds received and how funds are spent
 - > Avoid paying cash
 - > Keep all receipts

In order to open an SSA Representative Payee account at the credit union, you must present documentation that you have been appointed by the Social Security Administration as Representative Payee for our member. You should keep detailed records of the account in order to file the annual accounting with Social Security Administration. If you have questions regarding your role, you should consult the brochure published by the Social Security Administration: *A Guide for Representative Payees*, or the SSA directly.



Frequently Asked Questions

1. What is a Representative Payee?

- A person appointed by the SSA to accept Social Security benefits payments on behalf of the beneficiary and use those payments to provide for the beneficiary's food, clothing, shelter and other necessities.

2. Who can appoint or remove a Representative Payee?

- Only the SSA can appoint or remove a Representative Payee.

3. When does the SSA appoint a Representative Payee?

- A Representative Payee is appointed when the SSA determines that a person receiving Social Security benefits is unable to appropriately manage those benefits payments. The SSA often appoints Representative Payees for minors and incapacitated persons.

4. Can I use a Power of Attorney (POA) to handle the beneficiary's finances instead of being appointed as Representative Payee?

- No. The Social Security Administration does not recognize the use of a POA for purposes of handling benefits. Only a designated Representative Payee may handle the beneficiary's funds from SSA.
- If you are serving as attorney-in-fact for a person who is receiving SSA funds, you cannot use the POA to handle the SSA funds. Someone must apply to be SSA Representative Payee, must keep SSA funds separate from the person's other funds, and must keep separate records regarding how the funds are spent.



Frequently Asked Questions

5. Do Representative Payees need to open a special account at the credit union?

- Yes. Representative Payees should open an SSA Representative Payee account at the credit union.

6. Who needs to be eligible for membership at the credit union for the Representative Payee to open an SSA Representative Payee account?

- The beneficiary must be eligible for membership at the credit union for the Representative Payee to open an SSA Representative Payee account. If the SSA Representative Payee account is the beneficiary's first credit union account, the Representative Payee must provide the beneficiary's identification information, such as driver's license and/or Social Security card.
- The Representative Payee does not need to be a member.

7. Must a Representative Payee provide special documentation to the credit union to open an SSA Representative Payee account?

- Yes. A Representative Payee must provide a document, issued by the SSA, confirming the appointment as Representative Payee. This document is directed to the Representative Payee, not to the beneficiary.



Frequently Asked Questions

8. How does a Representative Payee open an SSA Representative Payee account at the credit union?

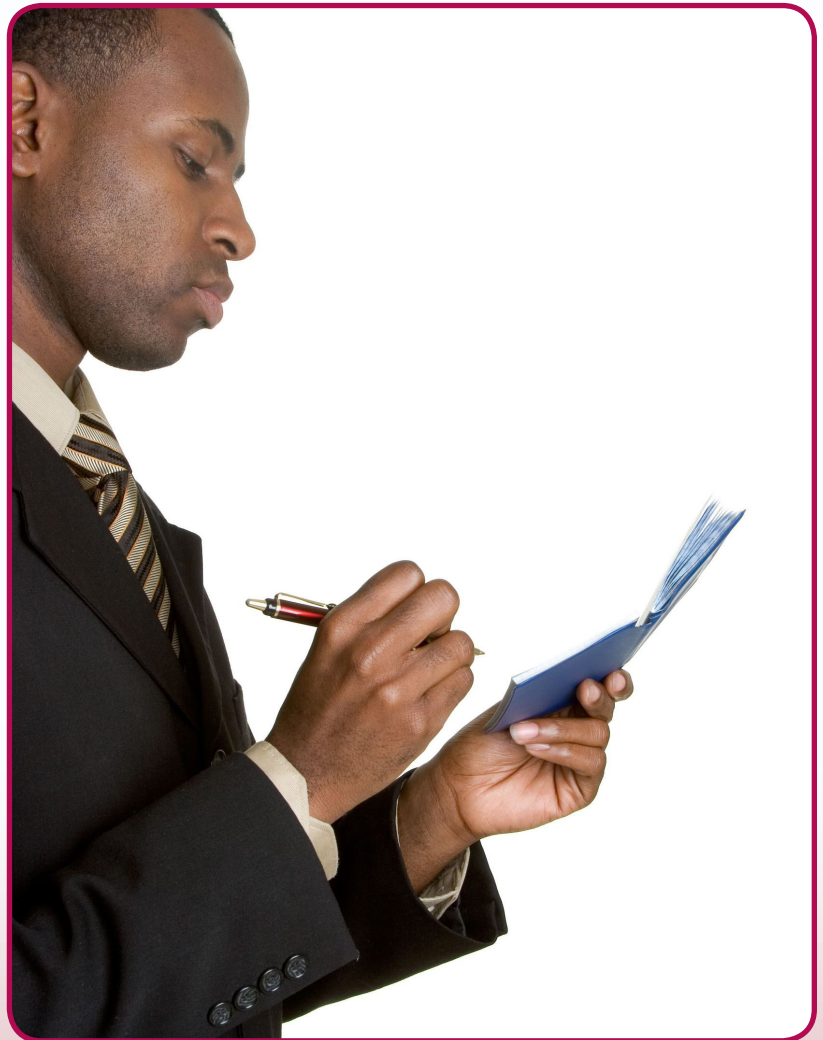
- The Representative Payee can open an SSA Representative Payee account by contacting a local branch, 24/7 Member Services or through Member Access via ncsecu.org. The Representative Payee will need to provide documentation from the SSA confirming the appointment as Representative Payee and sign an account signature form.

9. Who can access an SSA Representative Payee account?

- Only a Representative Payee can access an SSA Representative Payee account. Although the beneficiary of SSA funds owns the account, the beneficiary **cannot** withdraw funds from the account or obtain information about the account.
- The beneficiary should be referred to the Representative Payee for information regarding the Representative Payee account.

10. What types of funds can be deposited into an SSA Representative Payee account?

- Only the beneficiary's Social Security benefits should be deposited into an SSA Representative Payee account. Other funds belonging to the beneficiary should be deposited into a separate account and **not** the SSA Representative Payee account.



Frequently Asked Questions

11. How can a Representative Payee access the funds in an SSA Representative Payee account?

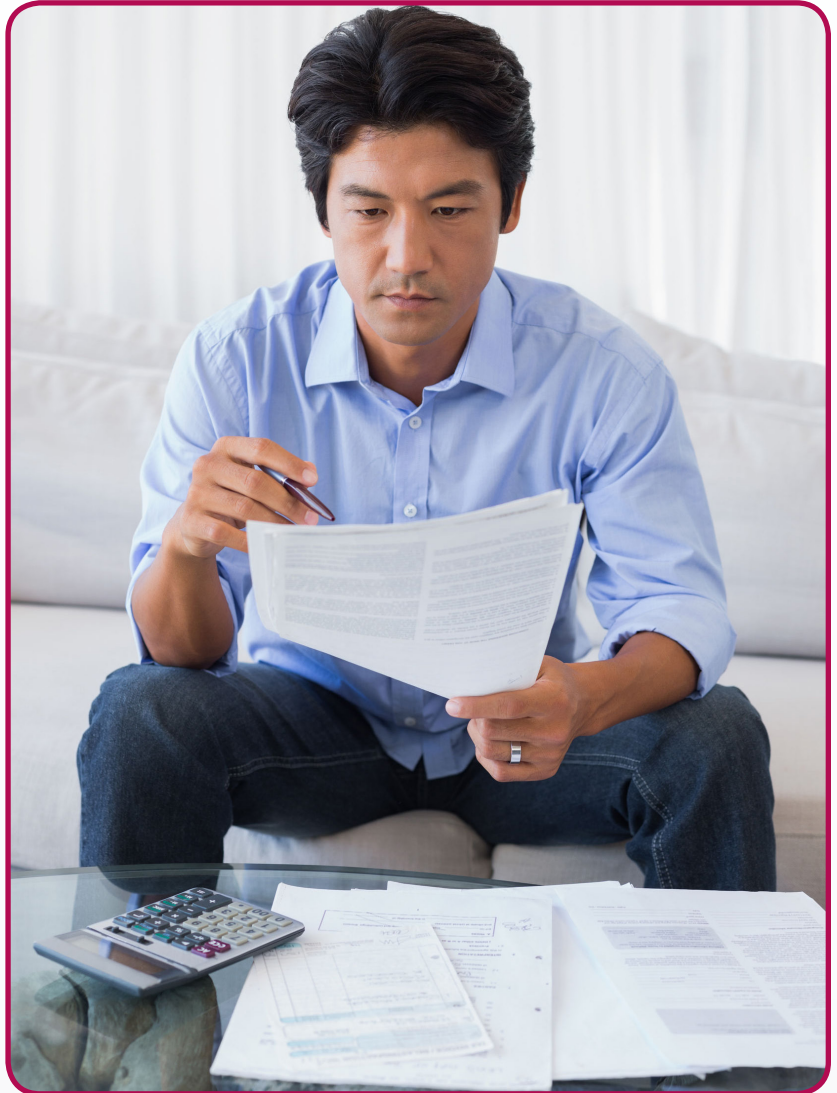
- A Representative Payee can access the funds in an SSA Representative Payee account in a local branch or through online access. The Representative Payee may also write checks. Debit and ATM cards are not recommended for SSA Representative Payee accounts.

12. Can the beneficiary have accounts at the credit union which are not titled as SSA Representative Payee accounts?

- Yes. The beneficiary can have accounts at the credit union which are separate from the SSA Representative Payee account(s). Funds payable to the beneficiary which are not Social Security benefits payments should be deposited into the beneficiary's separate accounts, to which the beneficiary may have access.

13. Can the Representative Payee access the beneficiary's separate accounts?

- No. The Representative Payee **cannot** access or obtain information about the beneficiary's separate accounts. The Representative Payee can only access the SSA Representative Payee accounts.



Frequently Asked Questions

14. Must the Representative Payee provide an accounting to the SSA? What records should he or she retain for this purpose?

- Yes. The Representative Payee is responsible for completing an annual accounting to the SSA and should retain itemized receipts to document the expenses paid on the beneficiary's behalf.

15. Can a Representative Payee continue to act on SSA Representative Payee accounts after the beneficiary dies?

- No. The Representative Payee's authority to act on a SSA Representative Payee account terminates at the beneficiary's death. After the beneficiary's death, funds in the SSA Representative Payee account will be distributed to the beneficiary's estate.

16. What is the difference between an SSA Representative Payee and a Guardian of the Estate appointed by the Clerk of Superior Court?

- An SSA Representative Payee is responsible for managing only SSA funds on behalf of another person (SSA beneficiary), whereas a Guardian of the Estate appointed by the Clerk of Superior Court is responsible for managing other property and business affairs of a minor ward or an adult who has been declared incompetent (ward).
- If a ward is receiving SSA funds, the Guardian of the Estate or another person must apply to be SSA Representative Payee, must keep SSA funds separate from the ward's other funds, and must provide separate accountings to the SSA and the Clerk of Superior Court.



- 1. Representative Payee:** A person appointed by the SSA to accept Social Security benefit payments on behalf of someone else (SSA beneficiary), and use those payments to provide for the beneficiary's food, clothing, shelter and other necessities.
- 2. Beneficiary:** The recipient of SSA funds, for whom a Representative Payee has been appointed.
- 3. Incapacitated:** To be impaired by mental or physical illness or disability to the extent that personal decision-making is compromised.



