

Representative Payees with Social Security

A large number of people with developmental disabilities receive payments from Social Security at some point in their life. If the recipient needs assistance managing that money, they can have a Representative Payee, commonly called a Rep Payee, appointed. This role is often filled by parents or other family members and there is no cost to have them serve in that role. A person with a disability can also opt to hire an agency to manage their Social Security benefits who can charge up to a certain amount each month to do so. That amount is up to \$57 in 2026 and will increase as Social Security benefits rise.

Representative Payee's Duties

It is the job of the Rep Payee to effectively manage Social Security income for the benefit of the individual with a disability. This has several related duties.

1. **Establish a Representative Payee account with a bank.** Doing so simply involves going to any bank and asking to set up a Representative Payee account. Representative Payee accounts show the beneficiary as the owner, but notes that person cannot directly access the money. Instead, the financial agent (Representative Payee) manages the account. It is possible to do this at a bank you're already using for other accounts, or you can opt to work with another institution. Keep those funds separate from other accounts to avoid any confusion over what money came from Social Security. The Rep Payee will need to show the information about this account to Social Security for checks to be deposited.
Representative Payee accounts will have the name of the Rep Payee on the check, since they are responsible for managing the money and paying bills.
2. **Ensure Social Security checks are deposited each month.** Rep Payees should log in to the online account or otherwise verify that monthly Social Security deposits were made to prevent checks from bouncing and to ensure benefits are intact.
3. **Meet with the person regularly to identify current and future needs.** A Rep Payee should understand the person's current needs as well as their foreseeable needs to be able to effectively manage the person's Social Security income for their benefit.
4. **Pay all bills.** The major function of the Rep Payee is to use the Social Security income to pay all bills of the Social Security recipient. Social Security funding should be used first to meet current maintenance needs, like food, housing, clothing, medical care, personal care. Any remaining funds can be used to improve quality of life and meet other needs, and some small amounts can be saved toward future needs (see more details in the section title "Maintain an appropriate account balance.")
5. **Maintain an appropriate account balance.** For people who receive Medicaid and/or SSI, Representative Payees must generally ensure the total amount of Social Security benefits currently in the bank account are less than \$2,000 in a month, when combined with other countable assets. Having more than that amount outside of a Special Needs Trust or ABLE Account can result in paybacks or disqualification from programs. Note that people who only receive Social Security, including SSDI, (but not Medicaid and/or SSI) or who participate in some work incentives programs may be able to maintain a higher balance, but the Rep Payee should ensure that the beneficiary does not participate in Medicaid, SSI, or another program with a savings limit before allowing the balance to rise above \$2,000.

6. **Keeping records on spending.** Social Security dictates that Rep Payees keep two years' worth of receipts, bank statements, bills, leases, and statements about funds used for personal use.
7. **Report changes in income.** If the person with a disability has a change in income or work status, the Rep Payee should report that change to Social Security.
8. **Annual report completion.** If the Representative Payee is the biological or adoptive parent of a minor or adult who is currently living with them and receiving Social Security benefits, they do not need to complete an annual report as of August 2018. However, if the person receiving benefits is an adult living outside the home and/or whose Rep Payee is not the parent, an annual report form will be mailed and must be completed. The report simply asks what portion of the annual Social Security benefits were spent on rent and food, what portion was spent on other maintenance needs, and what (if any) portion was saved. The Rep Payee should sign and return the report and return it to Social Security per the deadlines in the letter attached to the report.

Resources for Representative Payees

- To read more about the basics of Social Security benefits and applying for those benefits, please visit our online resource library (<https://thearcofnova.org/resource-library/>) and recorded webinars on our YouTube channel (<https://youtube.com/user/VideosatTheArcofNoVA>).
- Social Security description of Representative Payees- <https://www.ssa.gov/payee/>
- Social Security guidance on record keeping- https://www.ssa.gov/kc/rp_fundsrecords.htm
- Social Security information on benefits and Representative Payees in great detail- <https://secure.ssa.gov/apps10/poms.nsf/lnx/0200602000>
- Local for hire Rep Payee companies include:

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| <p>NOVA Payee Services https://www.novapayeeservices.com/Info@NovaPayeeServices.com (703) 273-4590</p> | <p>Second Chance https://2ndchancehelp.org/</p> | <p>Origin Representative Payee https://originsc.org/representative-payee/ (843) 628-3000</p> |
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