



# The role of a representative payee

## What is a representative payee<sup>1</sup>?

A representative payee is a person or an organization. The Social Security Administration appoints a payee to receive the Social Security or SSI benefits for anyone who can't manage or direct the management of their benefits. A trusted family member or friend can be nominated to be a representative payee, but is subject to the Social Security Administration's approval.

A payee's main duties are to use the benefits to pay for the current and future needs of the beneficiary. Payee duties also include properly saving any benefits not needed to meet current needs. A payee must keep records of:

- The amount of Social Security or SSI benefits received
- Expenses for food and housing
- Expenses for clothing, medical, dental, personal items, recreational, and other miscellaneous expenses
- Any savings as well as interest earned on those savings

Being an authorized representative, serving as an agent under a power of attorney, or having a joint bank account with the beneficiary does not give a person legal authority to manage the Social Security and/or SSI benefits for a person

with disabilities.<sup>2</sup> To become a representative payee a person must apply and be appointed by the Social Security Administration.

Additional information is available on the SSA's website [ssa.gov/payee/faqrep.htm](http://ssa.gov/payee/faqrep.htm).

## What a representative payee can and should do:

- Determine the beneficiary's needs and use his or her payments to meet those needs.
- Save any money left after meeting the beneficiary's current needs in an interest bearing account or savings bonds for the beneficiary's future needs.
- Report any changes or events, which could affect the beneficiary's eligibility for benefits or payment.
- Keep records of all payments received and how they were spent and saved.
- Provide benefits information to social service agencies or medical facilities that serve the beneficiary.
- Help the beneficiary get medical treatment when needed.
- Complete written reports accounting for the representative payee's use of funds.

2 People often make a power of attorney to name someone else to manage their money if they become sick or injured. For Social Security purposes, a power of attorney isn't an acceptable way to manage a person's monthly SSDI or SSI benefits. Social Security recognizes only the use of a designated representative payee for handling the beneficiary's SSDI and SSI funds. See A Guide for Representative Payees, [ssa.gov/pubs/EN-05-10076.pdf](http://ssa.gov/pubs/EN-05-10076.pdf).

1 See A Guide for Representative Payees, [ssa.gov/pubs/EN-05-10076.pdf](http://ssa.gov/pubs/EN-05-10076.pdf).

- Return to the Social Security Administration any payments to which the beneficiary is not entitled.
- Reimburse him or herself for reasonable, actual out-of-pocket expenses paid on behalf of the beneficiary. A record must be kept of these expenses. For example, the Social Security Administration considers the cost of transporting the beneficiary to a doctor's appointment (such as cab fare, mileage, and tolls), postage to pay the beneficiary's bills, and fees for money orders as out-of-pocket expenses. The amount of reimbursement must not be more than the expense incurred for the beneficiary.

## What a representative payee cannot and should not do:

- Sign legal documents, other than Social Security documents, for a beneficiary.
- Manage earned income, pensions, or any income from sources other than Social Security or SSI.
- Use a beneficiary's money for the payee's personal expenses, or spend funds in a way that would leave the beneficiary without necessary items or services (housing, food, medical care).
- Put a beneficiary's Social Security or SSI funds into an account owned by the payee or another person.<sup>1</sup>
- Use a child's "dedicated account" funds for basic living expenses. Dedicated account funds can be used only for specific purposes: see A Guide for Representative Payees at [ssa.gov/pubs/10076.html](http://ssa.gov/pubs/10076.html) for more information. (This applies to disabled and blind SSI beneficiaries under age 18.)

- Keep or manage Social Security benefits once he or she is no longer the payee.
- Charge the beneficiary for services unless authorized by SSA to do so

For additional information, contact the Social Security information at 1-800-772-1213 between 7 a.m. and 7 p.m. ET on business days, or contact your local Social Security office between 9 a.m. and 4 p.m. local time on business days.

People who are deaf or hearing impaired may call a toll-free "TTY" number, 1-800-325-0778, between 7 a.m. and 7 p.m. ET on business days.

You can find answers to many questions by visiting the Social Security Administration website at [socialsecurity.gov/payee](http://socialsecurity.gov/payee) or see CFPB's Managing Someone Else's Money guide for representative payees at [consumerfinance.gov/consumer-tools/managing-someone-elses-money/fiduciary-guides/](http://consumerfinance.gov/consumer-tools/managing-someone-elses-money/fiduciary-guides/).

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<sup>1</sup> A common checking account for all family members living in the same household who receive benefits may show a parent or spouse as the owner of the account. Children's savings, however, must be in separate savings accounts for each child, showing the child as the account owner.