

Representative Payee – What is it?

What is a Representative Payee? A representative payee is an individual, agency, organization or institution appointed by a government entity to administer federal benefits on behalf of a beneficiary. A representative payee may be appointed by the government entity at the point when an individual becomes incapable of managing his or her federal benefits.

Representative payees may be appointed by the following government entities: Social Security Administration, Veterans Affairs (representative payee is referred to as a “federal fiduciary”), the Railroad Retirement Board, the Office of Personnel Management, and the Department of Defense.

Who is served by a Representative Payee? Representative payees are appointed to assist the most vulnerable members of society – those who are young, elderly, or disabled and lack the capacity to manage their federal benefits.

How does the government entity determine whether a person is unable to handle their benefits? Some government entities (including the Social Security Administration) will look for a physician’s finding that the person lacks capacity or will interview the beneficiary to make a determination.

What does a representative payee do? The payee is appointed to manage *only* federal benefits. A representative payee is required to document the benefits received and the use of those benefits annually. It is important to work with the government entity administering the benefits to ensure any record and reporting requirements are met.

If an individual has a representative payee, do they need a power of attorney or other assistance handling their personal finances? *Yes!* A representative payee is strictly limited to handling federal benefits; he or she has no legal authority to manage non-federal benefit income or medical matters.

I am a conservator/attorney-in-fact, do I need to be appointed as a representative payee to handle the ward/principal’s federal benefits? *Yes!* The Social Security Administration (and other government entities) do not recognize other types of substitute decision makers, such as conservators and attorneys-in-fact, to manage the benefits.

The mission of the Office of the State Long-Term Care Ombudsman is to protect the health, safety, welfare, and rights of individuals residing in long-term care by investigating complaints, seeking resolution to problems, and providing advocacy with the goal of enhancing quality of life and care.