

# RBD FASTCLASS – SOCIAL SECURITY REPRESENTATIVE PAYEES

For Customers of Ross Business Development, Inc.



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#### Disclaimer

The material contained in this document is not comprehensive of the continually emerging issues surrounding policies in The Multifamily Housing industry. In addition, the handbook guidance is derived from The HUD Handbook 4350.3 Rev 1 Change 4 released in August 2013 and in December 2013 and subsequent notices and memos from HUD.

These materials were updated 9/2022.

The reader should understand that these materials are not designed for, nor should be relied upon, as a source of legal guidance or as a final authority with respect to any particular circumstance.

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We have been diligent in our efforts to provide comprehensive and accurate regulatory instruction; Ross Business Development shall not be responsible for errors or inaccuracies.

## INTRODUCTION



More than eight million people, who get monthly Social Security benefits or Supplemental Security Income (SSI) payments, need help managing their money. In these cases, the Social Security Administration can appoint a relative, friend, or other interested party to serve as the “Representative Payee.”

This RBD FASTClass has been developed to help owner/agents understand how to treat income, assets, income from assets and expenses when a Representative Payee is managing benefits for a resident.

We also provide a FASTFacts document which is available on our Resources Page.

<https://www.rbdnow.com/resources/noticeforms>.

This class and the RBD FASTFact document were created using guidance available in HSG Notice 2016-09 *Streamlining Administrative Regulations for Multifamily Housing Programs* and the *HH 4350.3 R1, Chapter 5*.

## SS REPRESENTATIVE PAYEES

A Representative Payee is an individual or organization appointed by the Social Security Administration (SSA) to receive Social Security and/or SSI benefits for someone who cannot manage or direct someone else to manage his or her money. Generally, family or friends serve as payees. When friends or family members are not able to serve as payees, SSA looks for qualified organizations.



More information about being a payee is available in the [Guide for Representative Payees](#) and the [Guide for Organizational Representative Payees](#) available at [www.ssa.gov/payee](http://www.ssa.gov/payee) or from any local Social Security office.



The primary responsibilities of a Representative Payee are to use any Social Security benefits to pay expenses for the beneficiary and properly save any benefits not needed to meet current needs. A payee must keep records of expenses paid using the beneficiary’s Social Security benefits.

Unless a payee is also a guardian, he/she may not sign legal documents, other than Social Security documents, on behalf of a beneficiary. Payees also have no legal authority over earned income, pensions, or any income from sources other than Social Security or SSI, unless the payee is also a legal guardian or has power-of-attorney for a beneficiary.

## INCOME

Even though the Social Security Benefit (unearned income) is paid directly to the Representative Payee, owner/agents should understand that this income is associated with the beneficiary. This is true even if the Representative Payee does not live with the beneficiary.



Owner/agents should ask appropriate questions about this income at application and Annual Recertification.

*“Is anyone living in the unit entitled to benefits that are paid to a person who does not live with you such as a Representative Payee?”*

Unless the benefit is Social Security Survivor’s Benefits, the income should appear in EIV if an active 50059 is recorded in TRACS and the beneficiary’s Personal Identifiers have been verified by the Social Security Administration. For HUD programs, EIV is used to verify this income.

## RBD FASTClass – Social Security Representative Payees

Household Member:	Daphne Davis	SSN:	***-**-2222
Date of Birth:	XX/XX/2011	Relationship:	Child

### Social Security Benefits

EIV received no benefit data.

### Dual Entitlement

EIV received no benefit data.

### Medicare Data

EIV received no benefit data.

### Supplemental Security Income Benefits

#### Verification Data

Payment Status Code:	C01 - Current Pay
Alien Indicator:	
SSI Monthly Assistance Amount (Current):	\$841.00
State Supplement Amount (Current):	\$0.00
Payee Name and Address:	Derek Davis 1 Paradise Point Unit 2 Nashville, TN 22222

#### Payment History of Net Benefits Paid

Date	Federal Amount	State Amount	Type of Payment
2022-09-01 00:00:00.0	\$841.00	\$0.00	Recurring Payment
2022-08-02 00:00:00.0	\$2,523.00	\$0.00	Lump Sum Payment
2022-06-01 00:00:00.0	\$841.00	\$0.00	Recurring Payment
2022-05-02 00:00:00.0	\$4,621.00	\$0.00	Underpayment
2022-05-01 00:00:00.0	\$841.00	\$0.00	Recurring Payment

*Note: If the beneficiary receives Social Security Survivor's Benefits, this unearned income is included when determining the assistance payment and must be entered on the beneficiary's 50059 using Income Code SS. However, Survivor's Benefits do not appear in EIV. The Survivor's Benefits must be verified using information provided in the SSA's web site, a current award letter or using Streamlined Verification of Fixed Income.*

If the beneficiary is a minor who is part of a joint custody arrangement and when both families are receiving HUD housing assistance, only one family at a time can take advantage of the Dependent Deduction.

The family that includes the Dependent Deduction when determining the assistance payment must include any income paid to that dependent. See HH 4350.3 Paragraph 5-10. See also the free RBD FASTClass [Children - Joint Custody](#) and our RBD OnDemand Training [Adjusted Income – Deductions & Verification of Deductions](#).

### THE ASSET

Representative Payees must save any money left after paying for the beneficiary's needs. Use of an interest-bearing bank account that is insured under either federal or state law is the preferred method.



The asset belongs to the beneficiary and any interest earned belongs to the beneficiary. The cash value of any account and any income from the asset is included when calculating the family's Assistance Payment.

The money market account, checking account or savings account title must show the beneficiary's ownership of the funds and show the Representative Payee as the financial agent. SSA recommends that Payees title the account in one of the following ways:

- (Beneficiary's name) by (Representative Payee's name), representative payee.
- (Representative Payee's name), representative payee for (beneficiary's name).

There is an exception for parents and spouses who are Representative Payees.

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.

Sometimes, when an organization is the Rep Payee, the organization will place funds for several beneficiaries in a single checking or savings account known as a "collective account". This is usually acceptable, but special rules apply to these accounts:

- The organization must obtain approval from the Social Security Administration before establishing the account.
- The account must be separate from the organization's operating account.
- Account titles must show the funds belong to the beneficiaries and not the Representative Payee. Some examples of collective account titles are:
  - "Magnolia Gardens ARC for Social Security Beneficiaries."
  - "Magnolia Gardens ARC Resident Trust Account."
- Any interest earned belongs to the beneficiaries.
- There must be proper procedures to document credits and debits with clear and current records of each beneficiary's share.
- The organization must make the account and supporting records available to the Social Security Administration when asked.

### **VERIFICATION**



As provided in HH 4350.3, Paragraph 5-13, EIV (Up-front Income Verification) is the preferred method used by HUD property managers to verify Social Security income for existing residents.

*Note: Do not use EIV to verify SS Income For non-HUD programs (e.g., LIHTC or USDA 515)*

If an owner/agent is verifying income for an applicant or if income information is not included on the EIV Income Report, Social Security benefit amounts must be verified using information provided through the SSA's web site, a by reviewing a current award letter or by using Streamlined Verification of Fixed Income as provided in HSG Notice 2016-09 [Streamlining Administrative Regulations for Multifamily Housing Programs](#).

Payees may be required to submit an annual Representative Payee Report (Form SSA-623, SSA-6230, or SSA-6233) to account for the benefit payments received.

Due to a recent change in the law, SSA no longer require the following payees to complete an annual Representative Payee Report:

- Natural or adoptive parents of a minor child beneficiary who primarily reside in the same household as the child;
- Legal guardians of a minor child beneficiary who primarily reside in the same household as the child;
- Natural or adoptive parents of a disabled adult beneficiary who primarily reside in the same household with the beneficiary; and
- Spouse of a beneficiary.

Although these groups of payees are no longer required to submit the annual Representative Payee Report, all Representative Payees are responsible for:

- Keeping records of how benefits are spent or saved and
- Making all records available for review if requested by SSA.

These records are maintained for a minimum of two years.

## RBD FASTClass – Social Security Representative Payees

Representative Payees can use the “Income and Expenses Worksheet” on the last page of [The Guide for Representative Payees](#) to keep track of what is spent.

Generally, the information is summarized using a spreadsheet product (e.g., Microsoft Excel) or an accounting solution that provides income/expense statements (e.g., QuickBooks).

Owner/agents should request a copy of the Representative Payee Report or copies of these records. Reviewing this information will help owner/agents identify income, asset values, income from assets and expenses.

Owner/agents should be sure to look for expenses that can be used to lower the monthly Tenant Rent such as Medical Expenses (for qualified elderly and disabled families) and Disability Assistance Expenses.

If you are not familiar with these Deductions, you may want to view the RBD OnDemand Training [Adjusted Income – Deductions & Verification of Deductions](#).

### **WHEN YOUR RESIDENT IS THE REPRESENTATIVE PAYEE**

In some cases, a resident may be acting as a Representative Payee for a beneficiary that does not live in their unit.

While not required by HUD, owner/agents may want to collect a Self-Certification explaining that the income is associated with the beneficiary (not the Payee) and any bank account is owned by the beneficiary – even if the Payee’s name and Social Security Number is associated with the account.

For additional training explaining the requirements for HUD’s Multifamily Housing programs, visit our OnDemand Training page at <https://www.rbdnow.com/ondemand-training>.

Classes include:

[Adjusted Income – Deductions & Verification of Deductions](#)

[EIV Income Reports](#)

[HUD's Verification Requirements - NEW!](#)

[Streamlined Verification & Implementation of the FAST Act](#)

To purchase

Application/PreApplication  
AR Questionnaire  
Or Self-certifications

Visit our RBD FASTForms Page <https://www.rbdnow.com/fast-forms>.

### **SUMMARY**

This RBD FASTClass provides basic information about how to handle Social Security income when a Representative Payee is responsible for the income.

Even though the income is paid directly to the Representative Payee, the income is associated with the beneficiary when determining the Assistance Payment.

Any amounts remaining after expenses are paid are included as assets and any interest earned is included when determining Annual Income for the beneficiary.

## RBD FASTClass – Social Security Representative Payees

Owner/agents should also review The Representative Payee Report or the Summary Of Expenses paid to determine if any expenses paid qualify as Deductions used to reduce Tenant Rent.

Owner/agents will be reviewed for compliance with these requirements during the Management & Occupancy Review.