

# New Registration Requirements For Direct Payments To Representatives



Beginning January 1, 2007, there are added requirements a representative must meet for the Social Security Administration to pay all or part of an approved fee directly to the representative from a claimant's past-due benefits. The new requirements apply to attorneys who represent claimants before Social Security or the Federal courts and want to be eligible to receive direct payments, and to non-attorney claimant representatives who are participating in Social Security's Direct Payment Demonstration Project.

## The new requirements

A representative the claimant appoints after December 31, 2006, or an attorney for whom a Federal court approves a fee after December 31, 2006, must complete and submit two forms to receive direct payment:

- Form SSA-1699, *Request for Appointed Representative's Direct Payment Information*. This is a one-time submission. However, a representative must update the information if his or her personal, professional or business affiliation information changes. Social Security's automated claims systems use the information in the Appointed Representative Database to issue notices and fee payments.
- Form SSA-1695, *Identifying Information for Possible Direct Payment of Authorized Fees*. A representative must provide a completed Form SSA-1695 in each instance of representation, i.e., each time he or she is appointed to represent a claimant or, if an attorney did not register when the claim was pending with Social Security, each time a Federal court approves a fee.

## Complying with law

The change in the criteria for receiving direct payment provides Social Security with information the Agency needs to adhere to provisions of the Internal Revenue Code (IRC) and the Debt Collection Improvement Act of 1996 (DCIA).

Sections 6041(a) and 6045(f) of the IRC, as implemented by 26 CFR 1.6041-1, require Social Security to issue a Form 1099-MISC to each representative who receives, by direct payment from Social Security, aggregate fees of \$600 or more in a calendar year.

Social Security will begin issuing Internal Revenue Service (IRS) Forms 1099-MISC under the new procedure in January 2009 for calendar year 2008. Social Security will also issue a Form 1099-MISC to the representative's employer if the employer has registered with Social Security for this purpose. To register, the employer should complete Form SSA-1694, *Request for Business Entity Taxpayer Information*. This registration is not mandatory. The form is available online or in paper format.

The DCIA (Pub. L. No. 104-134) mandates that each federal agency require persons "doing business with that agency" to provide the agency with his or her taxpayer identification number (TIN). The DCIA requires that, when a federal agency disburses money, it must include the TIN on each certified voucher submitted to a disbursing official. For individuals, the TIN is generally the Social Security number (SSN). This means that when Social Security certifies for direct payment or directly pays a fee to a representative the Agency must include the representative's SSN on the payment voucher it submits to the Department of the Treasury.

(over)

To assure Social Security complies with these provisions of law, the Agency is requiring that a representative provide us with his or her SSN before we implement a favorable administrative determination or decision, or before we act on a Federal court's fee approval, as a condition for Social Security to pay a fee or a portion of the fee directly to the representative from a claimant's past-due benefits. IRS Form W-9 has been used to obtain this information in the past. However, as allowed by the IRS, Social Security developed a substitute, Form SSA-1699, *Request for Appointed Representative's Direct Payment Information*, to obtain the representative's SSN and other information needed to issue Forms 1099-MISC.

The one-time submission of the SSA-1699 is the first step in the two-step registration process that a representative must complete in order to receive direct fee payment in a specific claim. The second step requires that a representative provide Social Security with his or her SSN in each instance of representation (i.e., each time the representative is appointed to represent a claimant before Social Security or a Federal court approves a fee) by submitting a Form SSA-1695, *Identifying Information for Possible Direct Payment of Authorized Fees*. The SSA-1695 establishes a link between each claim for direct fee payment and the Appointed Representative Database. This link assures that Social Security captures all payments to representatives and properly reports these payments on the Form 1099-MISC.

### Where to find and file the new forms

For most representatives and firms, the best means to complete and submit the Form SSA-1699, *Request for Appointed Representative's Direct Payment Information*, and the Form SSA-1694, *Request for Business Entity Taxpayer Information*, is electronically via the Internet through the Representing

Claimants website on Social Security Online ([www.socialsecurity.gov/representation](http://www.socialsecurity.gov/representation)). Alternatively, a representative or firm can download a paper PDF version of the forms for completion. A representative should submit the paper SSA-1699 to his or her servicing Social Security office for data entry. A firm should submit the paper SSA-1694 to the firm's servicing Social Security office for data entry.

Representatives can also download a paper PDF version of the Form SSA-1695, *Identifying Information for Possible Direct Payment of Authorized Fees*, via the Representing Claimants website on Social Security Online ([www.socialsecurity.gov/representation](http://www.socialsecurity.gov/representation)) for completion and submission to the claimant's servicing Social Security office. Representatives will also be able to obtain this form from their local Social Security offices.

**NOTE:** Do not submit these forms to a Hearing Office, to the Office of Appellate Operations (Appeals Council) or, in a Disability Service Improvement process case, to the Office of the Federal Reviewing Official. Doing so could unnecessarily reveal taxpayer information and will delay processing because the forms must be forwarded to the claimant's servicing Social Security office for data entry.

### For more information

There are more details about the new registration requirements, as well as other helpful information, at the Representing Claimants website on Social Security Online ([www.socialsecurity.gov/representation](http://www.socialsecurity.gov/representation)). There is also a toll-free help line for Internet registration: **1-888-772-2970**.