



NURSING HOMES

Social Security Administration Facts

Last update 12/05/07

To The Point

Points of interest in this fact sheet:

- **Representative Payee.** Who needs a payee and how you can help.
- **SSI and Short Term Stays.** Continued full SSI payments
- **Power of Attorney.** Why Social Security needs more.
- **Employee Information.** Helpful information for nursing home employees such as working while receiving benefits, your Social Security Statement, and more!

Representative Payee, Who & Why

Most people who receive Social Security or Supplemental Security Income (SSI) benefits handle their own finances. Others must have assistance in the management of their money. Nursing homes are often the first to alert Social Security to the fact that a person is no longer capable of handling his or her own benefits. But how does Social Security determine who needs this helping hand we call a *Representative Payee*?

Social Security law requires that some persons, such as most minor children, legally incompetent adults, and persons receiving disability benefits who have substance or alcohol abuse history, have a *Representative Payee*. In other situations adults are presumed to be able to manage their own benefits unless Social Security is presented evidence, usually medical or lay, that indicates the person is no longer mentally capable of handling his or her own finances. When Social Security encounters one of the above situations, we begin the process of finding and appointing an appropriate *Representative Payee*. Once a *Representative Payee* is appointed by Social Security, the payee is able to conduct business on the mentally incapable person's behalf with our agency. Sometimes nursing homes even serve as *Representative payee*. It should be noted that persons with physical impairments but no mental impairments rarely need a *Representative Payee* because, in most situations, they are able to manage or direct the management of their benefits.



If you encounter someone in your facility who you feel may not be able to manage his or her own Social Security or SSI funds, notify your local Social Security office or call our toll free number, **1-800-772-1213**. We will then begin the determination process as to that person's ability to manage his or her benefits. Your facility's physician or medical officer may be requested to complete Form SSA-787, "*Physician's / Medical Officer's Statement of Patient's Capability to Manage Benefits*" as part of our determination process. Your continued diligence and cooperation is needed and deeply appreciated. Thank you from Social Security.

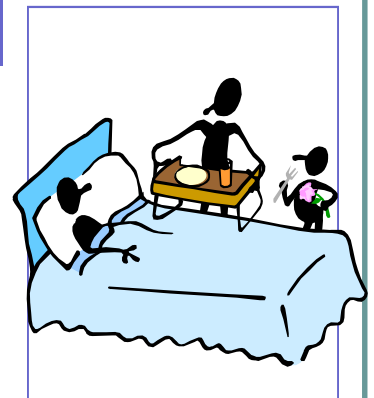
SSI and Short Term Stays

People who reside in public institutions generally are ineligible for Supplemental Security Income (SSI). However, certain people who reside in medical institutions, may be able to continue to receive their full SSI payments during a temporary stay.

SSI recipients can qualify for these continued pay-

ments if they need to maintain and pay expenses associated with their permanent residence and a doctor certifies they are expected to be in your facility 90 days or less. Social Security must receive evidence of these requirements by the 90th day after the person has entered your institution or by the date of discharge, whichever is the earliest date.

You can help people qualify for continued SSI payments by promptly notifying (or helping them notify) the local Social Security office of their temporary stay in your facility. Do this as soon as possible after their entrance into your facility, but no later than 90 days. You can also call our toll free telephone number, **1-800-772-1213**.



Why Social Security Doesn't Use "Power of Attorney"

"The Social Security Act protects a person's right to receive benefits.."



Many Nursing Home administrators ask why Social Security doesn't recognize the Power of Attorney? Most businesses and financial institutions recognize a Power of Attorney as a legal position giving the holder the right to negotiate business on another person's behalf. Social Security uses the position of *Representative Payee*. But, contrary to common belief, people who have been given Power Of Attorney (POA) are not the same as a *Representative Payee* and cannot conduct business with Social Security on another person's behalf. The POA authorizes one person

to act as another person's agent or "attorney" so they can transact business for the other person. This could involve the negotiation of the other person's Social Security or SSI check. However, Treasury Department regulations do not permit a POA (either general or durable) to be used to negotiate Social Security or SSI checks. The fact that a third party has a Social Security or SSI beneficiary's POA could imply an intent to use it to negotiate the person's checks.

The Social Security Act protects a person's right to receive benefits directly and to use them as he or she sees fit by prohibiting the assignment of benefits. Sending the persons benefits to the third party facilitates the assignment of checks. The

POA creates an assignment like situation. This is contrary to the protections given by the Social Security Act.

Social Security prefers to send benefits directly to our beneficiaries. This is because events often happen which may affect eligibility to benefits. The responsibility for reporting these events to Social Security is placed directly by law on the beneficiary or the beneficiary's *Representative Payee*. When checks are negotiated the beneficiary or his or her payee attests to continued eligibility for payment. If benefits are misused, they can be recouped from the payee. This is not true with the POA. In light of these facts, the position of Power of Attorney is not appropriate to conduct business with Social Security.

Helpful Information for Nursing Home Employees

"You may be able to collect Social Security benefits and continue to work at your nursing home job."

The Social Security Statement: Each year, three months before your birthday you should receive a *Social Security Statement*. It is sent annually, to workers age 25 and older, 3 months before his or her birthday. The "Statement" provides you with benefit estimates for your *Retirement*, *Disability*, and *Survivor's* benefits. It also furnishes you with a list of your Social Security covered earnings and an estimate of the taxes you have paid. As an employee it is important to review your Social Security statement annually to ensure your earnings record is accurate. The Social Security benefits you will receive in the future are based on the earnings shown on your Social Security record. If you discover that your record is inaccurate, contact Social Security as soon as possible. We can easily correct the record.

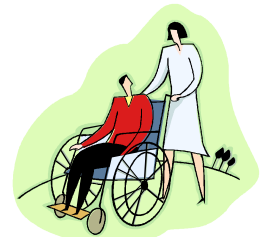
Retirement Benefits: Full, unreduced *Retirement Benefits* are payable to eligible workers at their full retirement age. For persons born in 1937 and earlier, age 65 is the full retirement age. Starting with persons born in 1938, the full retirement age increases in

two-month increments. For example someone born 1939 reaches full retirement age at 65 years plus 2 months. For someone born in 1940 it is 65 years plus 4 months and so on. Persons born between 1943 and 1954 must be age 66 to be at their full retirement age. The two-month increment increases begin again with persons born in 1955 (they must be 66 years plus 2 months to be at Full retirement age) and continue until full retirement age reaches age 67 for 1960 and later dates of birth. Eligible workers can still elect to receive reduced retirement benefits as early as age 62. If you decide to delay signing up for Social Security benefits until after your full retirement age, Social Security will increase your full benefit by as much as eight percent for every year that you delay signing up. This increase is called Delayed Retirement Credits. Delayed Retirement Credits are automatically assigned to your record.

Working While Receiving Social Security Benefits: You may be able to collect Social Security benefits and continue to work at your nursing home job. If you are at or over your full retirement age, your work and earnings will not affect your receiving monthly Social Security benefits. If you are under your full retirement age, there is a limit on how much you can earn before your Social Security Retirement or Survivor's

benefits are affected. In 2008 the annual limit is \$13,560.

If your earnings exceed this amount, one dollar (\$1) will be deducted from your benefits for every two dollars (\$2) you exceed the earnings limit. Under a special rule, if you reach your full retirement age in 2008 the limit is \$36,120 and it applies to just the months prior to your birth month. If you exceed the limit in those months, the withholding rate is one dollar (\$1) for every three dollars (\$3). Different rules apply to persons receiving disability benefits.



For more information, visit our website at www.socialsecurity.gov

Helpful Tip: Safeguard your Social Security card and number to prevent identity theft. Don't carry your card with you unless you are seeking employment or Social Security services.