

Notes and Brief Reports

OASDI and SSI Beneficiaries With a Representative Payee, 1981*

Generally, cash benefits under both the Social Security and Supplemental Security Income (SSI) programs are paid directly to the entitled person. The Social Security Act, however, also provides for the appointment of a representative payee to receive checks in behalf of the beneficiary when such action appears to be in the latter's best interest. A payee is usually appointed for a person under age 18 on the grounds that a minor is incapable of managing finances. A payee may also be appointed for an older beneficiary, but only if evidence—medical or other—indicates physical or mental incapacity. The law requires that the payments to a disabled SSI recipient who has been medically determined to be an alcoholic or a drug addict be paid to a representative payee if a suitable payee can be found.

This note presents data on selected characteristics of Social Security beneficiaries and SSI recipients under the representative payee program in 1981. The data were

*Prepared in the Office of Research, Statistics, and International Policy, Office of Policy, and the Office of Supplemental Security Income, Social Security Administration.

Table 1.—OASDI beneficiaries: Total number and number and percent with a representative payee, by type of beneficiary, December 1981

| Type of beneficiary | All beneficiaries ¹ | Beneficiaries with representative payee | |
|------------------------------------|--------------------------------|---|---------|
| | | Number ¹ | Percent |
| Total | 35,245,863 | 4,142,375 | 11.8 |
| Adult beneficiaries | 32,039,413 | 940,118 | 2.9 |
| Retired workers | 20,195,362 | 219,106 | 1.1 |
| Disabled workers | 2,776,519 | 244,348 | 8.8 |
| Wives and husbands | 3,459,027 | 14,888 | .4 |
| Widows and widowers | 4,933,944 | 92,376 | 1.9 |
| Disabled widows and widowers | 121,590 | 9,808 | 8.1 |
| Parents | 13,627 | 613 | 4.5 |
| Special age-72 beneficiaries | 76,323 | 11,300 | 14.8 |
| Disabled children aged 18 or older | 463,021 | 347,679 | 75.1 |
| Children under age 18 | 3,206,450 | 3,202,257 | 99.9 |
| In custody of parent payee | ... | 2,984,785 | ... |
| Not in custody of parent payee | ... | 217,472 | ... |

¹ Excludes students aged 18-22.

obtained from the Social Security Administration's Master Beneficiary Record (for Social Security beneficiaries) and the Supplemental Security Record (for SSI recipients). Because it is possible for individuals to receive both Social Security benefits and SSI payments, some 220,000 concurrent beneficiaries are reported in the figures for both programs.

In December 1981, 4.1 million of the 35.2 million persons receiving Old-Age, Survivors, and Disability Insurance (OASDI) benefits had a representative payee¹ (table 1). Both the number of persons with a payee and the percentage of all OASDI beneficiaries for whom a payee had been selected dropped noticeably from 1978 to 1981. The proportion with a representative payee de-

¹ Because the data source used here, the Master Beneficiary Record, did not, in 1981, differentiate between certain students aged 18-22 with a representative payee and those paid directly, students, few of whom have a representative payee, are not included in this note.

Table 2.—SSI recipients: Total number and number and percent with a representative payee receiving federally administered payments, by reason for eligibility, age, sex, and race, December 1981

| Reason for eligibility, age, sex, and race | Total number | With representative payee | |
|--|------------------------|---------------------------|---------|
| | | Number | Percent |
| Total | ¹ 4,018,875 | ¹ 820,124 | 20.4 |
| Reason for eligibility: | | | |
| Adults | 3,788,781 | 601,170 | 15.9 |
| Aged | 1,678,090 | 75,046 | 4.5 |
| Blind | 71,463 | 7,180 | 10.0 |
| Disabled | 2,039,228 | 518,944 | 25.4 |
| Blind and disabled children | 230,094 | 218,954 | 95.2 |
| Age: | | | |
| Under 18 | 194,789 | 189,553 | 97.3 |
| 18-21 | 122,894 | 89,264 | 72.6 |
| 22-29 | 271,241 | 158,847 | 58.6 |
| 30-39 | 257,397 | 103,093 | 40.1 |
| 40-49 | 256,834 | 65,222 | 25.4 |
| 50-59 | 472,891 | 68,568 | 14.5 |
| 60-64 | 322,325 | 33,098 | 10.3 |
| 65-74 | 1,057,829 | 52,130 | 4.9 |
| 75 and over | 1,062,310 | 58,669 | 5.5 |
| Sex: | | | |
| Men | 1,380,485 | 416,378 | 30.2 |
| Women | 2,635,043 | 403,418 | 15.3 |
| Race: | | | |
| White | 2,517,261 | 524,801 | 20.8 |
| Black and other | 1,253,116 | 226,374 | 18.0 |

¹ Total includes cases for which age, sex, or race are unknown.

clined from 13.5 percent in 1978² to 11.8 percent in 1981. In the same period, the number of persons with a representative payee decreased by nearly 500,000.

These changes can be attributed largely to a drop of approximately 500,000 in the number of persons under age 18 with a payee. Since few minor child beneficiaries are paid directly (0.1 percent), a decrease in their number relative to that of other beneficiary groups has a downward effect on the aggregate proportion of all beneficiaries with a payee.

At the end of 1981, 820,000 of the 4.0 million persons receiving federally administered payments under the SSI program had been judged unable to manage or to direct

² See **Social Security Beneficiaries With Representative Payees, 1978** (Research and Statistics Note No. 1), Office of Research and Statistics, Office of Policy, Social Security Administration, 1982, table A.

management of their finances and had a representative payee appointed to receive the payments in their behalf (table 2). Although the SSI caseload dropped by 5 percent from August 1977 to December 1981, the number of those having a payee increased by one-third in this period. The increase occurred mostly among disabled adults and children.

Further data on this study are available in a statistical release entitled "OASDI Beneficiaries and SSI Recipients With a Representative Payee, December 1981." Copies may be obtained by writing:

Publications Staff, Office of Research, Statistics, and International Policy, Office of Policy, Social Security Administration, Room 1120, 1875 Connecticut Ave., N.W., Washington, D.C. 20009.

Requests may also be placed by telephone: (202) 673-5209.