



SOCIAL SECURITY'S ADVANCE DESIGNATION: A HELPFUL ADDITION TO PLANNING

Your client has completed a financial plan, including a [durable power of attorney \(DPOA\)](#) that names who will manage his or her affairs, if your client is unable.

With their affairs in place, should that “something happen”, your clients are set. However, if your client is receiving Social Security benefits, you need to know that [Social Security](#) does not recognize powers of attorney! Under Social Security rules, only a properly appointed [representative payee](#) can manage benefits if the beneficiary cannot. But the [Strengthening Protections for Social Security Beneficiaries Act of 2018](#) allows Social Security recipients to make an [Advance Designation](#).

What is a representative payee?

A representative payee is a person or organization authorized to act on behalf of a Social Security beneficiary, for example, your client. Typically, this is a relative or friend that your client would trust to manage Social Security benefits on his/her behalf. It also could be an organization that provides payee services for a fee.

Why would a client name a representative payee?

Social Security does not recognize powers of attorney. It only recognizes a representative payee. If a representative payee has not been named, then Social Security must locate an appropriate person to act as payee. While this may be the same person the client would choose, it also might not. If there are several children or other close relatives, the risk it will not be a “first choice” increases.

The person or organization would still need to be evaluated and approved by Social Security. But using an advance designation can simplify the process.

What are the responsibilities of a representative payee?

A representative payee manages the benefit payments, and uses them to provide for the Social Security beneficiary's current needs, as well as his/her best interest. Similar to a person acting under a DPOA, the representative payee also must keep appropriate records. If requested the records must be available for review.

How does a client name a representative payee?

After the Strengthening Protections for Social Security Beneficiaries Act, Social Security offers beneficiaries the ability to use [Advance Designation](#) to name up to three potential representative payees. This may be done at the time of claiming benefits, or any time after. It can be done [online](#), via phone 1 (800) 772-1213, by mail using form SSA-4547, or in person.

Naming a representative payee can help a client ensure he or she will be assisted by a person he/she chooses, and trust. Knowing about this additional step may make challenging circumstances easier to manage.

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This material is educational and intended for an audience with financial services knowledge.

Additional Information and Links

Help Us Find the Right Payee for You: Advance Designation

www.ssa.gov/payee/advance_designation.htm

What is Advance Designation?

faq.ssa.gov/en-us/Topic/article/KA-10039

FAQ for Representative Payees

www.ssa.gov/payee/faqrep.htm

For additional information about Social Security strategies, please contact
the Retirement Strategies Group at (800) 722-2333, ext. 3939,
or email RSG@PacificLife.com
PacificLife.com

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2 of 2

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