

84 INF-008

Financial Management for Protective
Services for Adults (PSA):
Representative Payee –
Investing Conserved funds



NEW YORK STATE
DEPARTMENT OF SOCIAL SERVICES
 40 NORTH PEARL STREET, ALBANY, NEW YORK 12243-0001
 CESAR A. PERALES
 Commissioner



(An Informational Letter informs local districts of potential developments in the Social Services field, or of actual or potential developments in collateral fields of interest.)

INFORMATIONAL LETTER

TRANSMITTAL NO: 84 INF-008
 (Adult Services)

TO: Commissioners of Social Services

SUBJECT: Financial Management for Protective Services for Adults (PSA):
 Representative Payee -Investing Conserved funds

DATE: July 6, 1984

SUGGESTED DISTRIBUTION: Directors of Social Services
 Directors of Accounting
 Agency Attorneys
 Protective Services for Adults Staff
 County Fiscal Officers

CONTACT PERSON: Any questions concerning this release should be directed to your district's PSA program representative in the Division of Adult Services at 1-800-342-3715: Sharon Lane, extension 3-8729 and Irv Abelman, extension 4-8934 or (212) 488-5097.

I. PURPOSE

The purpose of this release is to clarify for local districts the duties of representative payees on behalf of beneficiaries receiving Social Security benefits or Supplemental Security Income in regard to the conservation of accumulated funds.

II. BACKGROUND

In the Department's efforts to strengthen the Protective Services for Adults service delivery system, 83 ADM-15, "Financial Management Procedures for Protective Services for Adults" was issued on April 15, 1983. During the regional technical assistance sessions held throughout the state during May and June of that year, reference was made to the fact that federal regulations state that "For those beneficiaries whose benefits have accumulated over \$150, the funds should be deposited in an interest-bearing account or invested

FILING REFERENCES

Previous ADMs/INFs	Department Regs.	Soc. Serv. Law & Other Legal Ref.	Bulletin/Chapter Ref.	Misc. Ref.
79 INF - 8 80 ADM - 71 82 INF - 6 83 ADM - 15 83ADM - 24	Part 457	SSL 473	194	Guide to Procedures In Financial Management

relatively free of risk on behalf of the beneficiaries". While the regulations do refer to the \$150 limit, it is within the context of an example, so the question arose as to whether or not the language in the example establishes a legitimate standard which must be met. Some local districts have been informed specifically by Social Security District Offices that the \$150 limit is indeed a valid standard and that there is definitely a requirement to invest funds that accumulate over the \$150 figure. The Department's program staff have discussed the issue with staff in the Social Security Administration Region II Office which has supervisory responsibility for Social Security District Offices throughout New York State. The results of those discussions are embodied in this release. In addition, the Social Security Administration Region II Office issued a "Retirement & Survivors Insurance" circular on 12/31/83 which includes a reminder on the subject of investing conserved funds, a copy of which is attached.

III. PROGRAM IMPLICATIONS

Clarification of this policy necessitates a careful review of cases for which the Commissioner is representative payee to assure that the conservation of accumulated funds on behalf of the beneficiary is being addressed in a manner which meets the guideline of the Social Security Administration. This guideline pertains to representative payees for both Supplemental Security Income for the Aged, Blind, and Disabled and for Federal Old Age, Survivors and Disability Insurance.

Region II of the Social Security Administration informs us that although the \$150 figure is a suggested point at which to invest the clients' funds, it is also the preferred one. The instructions to local Social Security offices contained in the Programs Operations Manual System (Section 00603.001) state "... should encourage payees to place accumulated funds in excess of \$150 in interest-yielding investments." In a communication from the Social Security Administration, we are informed "... if this suggested point of conservation were not adapted, we would be obligated as an agency seeking to ensure the welfare of the beneficiary to inquire as to why the funds were not so conserved." However, there is an awareness that it may not always be practical to obtain compliance with the \$150 figure. This is discussed further in the "Additional Information" section of this release.

While this Informational Letter is being released by the Division of Adult Services because of the large numbers of Protective Services for Adults cases which are receiving financial management services, the Social Security guideline clearly applies to all cases for which a representative payee has been assigned. Therefore, the information in this release may have implications for agency staff with other than PSA program responsibility.

IV. RECOMMENDED ACTION

1. Distribute this release to all staff members who are managing cases for which the commissioner is representative payee.
2. Review the caseload to identify beneficiaries with an accumulation of \$150 or more. "When practical", the conserved funds should be placed in interest-earning investments.

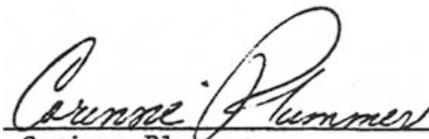
3. Utilize the ledger sheets discussed in Attachment I of 83 ADM-15, in the services/financial management case record as a control mechanism on an ongoing basis, to identify cases where conservation of accumulated funds in an interest-bearing investment will need to be initiated.
4. Initiate discussions with the county fiscal officer to determine the current status of social security funds being held in trust by the county and, if necessary, to establish jointly a method of conserving these funds on behalf of beneficiaries in accordance with the guidelines, regulations and policies set forth by the Social Security Administration. You may want to discuss this issue with your contact person in the Bureau of Local Financial Operations.

V. ADDITIONAL INFORMATION

In discussions with Social Security regional staff the issue of “when practical” was raised. If a beneficiary is accumulating funds each month, \$150 is the preferred point at which the funds should be placed in interest-bearing investments. If in the immediate future, a major bill for services may practically deplete the accumulated funds, it would not be practical to transfer the funds to an interest-bearing investment. In questionable cases, local district staff should contact their local Social Security District Office in order to determine whether it is practical to place accumulated funds in interest-bearing investments.

Example: Mr. Jones has \$25 per month over and above his living expenses and over a period of 6 months \$160 has accumulated. The funds should be placed in an interest-bearing investment if there are no anticipated expenditures in the immediate future. However, if Mr. Jones has just had repairs completed in preparation for winter and there's an outstanding bill for \$75 which the contractor will be submitting within the next 2-4 weeks, then it would not be practical to transfer the funds to an interest-bearing investment.

Attachments



Corinne Plummer
Deputy Commissioner
Division of Adult Services

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REGIONAL
SSA PROGRAM CIRCULAR
 **Retirement & Survivors Insurance**

No. 83-25

NEW YORK REGION
12/31/83

Date:

Reminder Items

Military Service Paragraphs

We have had several questions as to why the DC must request "R" paragraphs about military service. On CAPS cases, there are four "R" paragraphs which must be requested:

1. RE-40 - MS Credits before 1957 are precluded because another federal benefit is payable based on the same period of service.
2. RE-41 - MS credits before 1957 are precluded because the claimant is not a "veteran".
3. RE-45 - development is pending on the use of pre-1957 military service credits.
4. RE-46 - MS credits after 1950 and before 1957 were used because of additional service after 1956.

On EAM cases only, the PRF code will generate ME-40, and the PRC code will generate ME-41. These two paragraphs are not generated by the CAPS system at all. You can add this item to page 5 (Military Service) of New York Regional Program Circular 82-29 November 30, 1982).

Misdirected Claims

The Great Lakes Program Service Center is still receiving material at their old address at 165 North Canal. This includes a large number of claims. These claims are unnecessarily delayed. Destroy all envelopes with the old address, and replace them with those showing the correct address of 600 West Madison, Chicago, Illinois 60606.

Representative Payee - Investing Conserved Funds

POMS Section GN00603.OOT instructs us to encourage representative payees to place any savings (from SSL or SSA benefits) in excess of \$150 in interest-earning investments. This instruction is based on Regulations (sections 404.2045 and 416.645) which use the \$150 figure to illustrate the circumstances under which accumulated funds should be saved in interest-earning investments. While it may not always be practical to obtain absolute compliance with the \$150 figure, it is, nevertheless, the preferred point at which conserved funds should be placed in interest-earning investments; and representative payees and prospective representative payees should be urged to comply with this guideline.

Evidence of Federal Employment Deemed FQC's (HI 00801.435)

Evidence to establish deemed federal quarters of coverage (FQC) is necessary in every case where the federal employee would not be insured using actual FQCs alone or in combination with SSQCs.

To establish deemed FQCs, the individual must have been an employee of the Federal government at any time after December 31, 1982 and before February 1, 1983.

For individuals in pay status during January, 1983, pay slips will be the easiest evidence of the employee's status to obtain. If a payslip is not available or raises a question as to whether the individual was in pay status during January, 1983 the employing agency should be contacted to submit necessary evidence of his employment status during January 1983. This could be an official agency form certifying as to status or a signed statement on the agency's letterhead certifying to the employee's status based on official records of employment and pay. A W-2, form SF2806 (Individual Retirement Record) or a signed statement from the employing agency certifying to the amount of wages paid each year as shown on the agency's record are all acceptable to establish deemed FQCs for Federal employment prior to 1983.

DISTRIBUTION: All DOs/BOs/Ads/TSC/PSC, New York Region

Retention: July 31, 1983