

4004-O TERMINATION OF A MEMBER'S ACCOUNT OR CHANGE IN REPRESENTATIVE PAYEE

REVISION DATE: 09/30/2020, 8/30/2013

EFFECTIVE DATE: January 15, 1996

REFERENCES: A.R.S. §§ 44-312, 44-313, 44-317, 12-881, and 12-887

Member Funds and the Death of a Member

When the Division of Developmental Disabilities (the Division) is notified that a member is deceased:

- A. Benefits not payable must be returned to Social Security.
 - 1. Social Security benefits are paid each month, representing payment for the previous month. When a person who receives social security benefits dies, no payment is due for the month of death, even if he or she dies on the last day of the month.

Example: May 3rd SSA benefits are received April benefits, not May. If the member passes away in April, the benefit for April received in May must be returned to Social Security. The member is not entitled to a payment for the month of death.
 - 2. Supplement Security Income (SSI) benefits are for the month in which they are paid. Therefore, the SSI benefit is paid for the month of death. SSI benefits received for months after the month of death must be returned.

Example: May 1st SSI benefit is received, and the member died May 25 the SSI is retained. Suppose an SSI payment is received on June 1st that must be returned to Social Security.
- B. All outstanding debts will be paid as the fund balance allows, including residential billing in accordance with the applicable rule and law.
- C. Burial expenses may be paid as the fund balance allows.
- D. Remaining fund balances are returned to the legal representative of a member's estate for disposition under state law.

When there is no entity to receive money from the member's account, and there is no family, guardian, custodian, executor, or beneficiary, the following Arizona Revised Statutes will apply in the disbursement of the account: A.R.S. §§ 44-312, 44-313, 44-317, 12-881, and 12-887.

Social Security Selected a New Representative Payee

When the designated Representative Payee changes from the Division to another entity, all debts incurred while the Division was the Representative Payee must be paid, and all member funds identified as Social Security Benefits must be returned to the SSA. The

new Representative Payee may then request these funds from the SSA. The funds are not to be transferred directly from the Division to the new Representative Payee.

Inactive Accounts

Accounts determined to be inactive (having no transactions for a year or more) will be terminated after reasonable efforts to dispense the funds have failed. The account will be closed, and funds sent to the Arizona State Revenue after five (5) years, if unclaimed. (Unclaimed Property – Arizona Department of Revenue, Unclaimed Property Unit.)