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2 **4004-O TERMINATION OF A MEMBER'S ACCOUNT OR CHANGE IN**
3 **REPRESENTATIVE PAYEE**

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6 REVISION DATE: ~~XX/XX/2020~~, 8/30/2013

7 EFFECTIVE DATE: January 15, 1996

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

9 For additional information regarding SSI resources, refer to:

10 ~~• Pub No. 05-10029 – Disability Benefits and 05-11011 – “What You Need to Know~~
11 ~~When You Get SSI Benefits” (www.ssa.gov/pubs).~~

12 ~~• Arizona Department of Revenue Publication #601 (www.a.d.r.clamed.gov)~~

13 Member Funds and the Death of a Member Death

14
15 ~~Generally, a member's account is made up of Social Security benefits, earned money,~~
16 ~~family gifts, and other payments. Social Security benefits make up the largest~~
17 ~~percentage of these accounts; therefore all applicable Social Security laws and rules are~~
18 ~~applied first to terminate a member account. These are outlined in the Social Security~~
19 ~~publication: “Understanding the Benefits”, Pub. No. 10024. (-).~~

20
21 When ~~the~~ a member's the Division of Developmental Disabilities (DDD, the Division) is
22 notified that a member is deceased

23 A. ~~Benefits not payable will~~ must be returned to Social Security.

24 Social Security benefits are paid each month representing payment for the previous
25 month. When a person who receives social security benefits dies, no payment is
26 due for the month of death, even if he or she dies on the last day of the month.

27
28 Example: May 3 SSA benefits are received are April benefits not May. The member
29 passed away anytime in April even the last day of April. The benefit for April
30 received in May must be returned to Social Security. The member is not entitled to
31 a payment for the month of death.

32
33 Supplement Security Income (SSI) benefits are for the month in which they are
34 paid. Therefore, the SSI benefit is paid for the month of death. SSI benefits
35 received for month after the month of death must be returned.

36
37 Example: May 1 SSI benefit is received, and the member died May 25 the SSI is
38 retained. If an SSI payment is received June 1 that must be returned to Social
39 Security.

~~Social Security (Social Security Act [SSA], Title II) is funds are paid after the month of eligibility. Any funds received from the Social Security Administration (SSA) during the month after the death of a member receiving SSA benefits, shall must not be spent, but shall must be returned to the SSA.~~

~~For example, if the member dies on May 31st, the last day of the month, and the SSA check received on the first of May 1st was for April, the check is due and payable as the member was alive and eligible for the entire month of April.~~

~~However, if a check is received in June for May, the Client Fund System office returns the check as because the member was not eligible for SSA for the entire month of May, the month during which the member died.~~

~~B. All outstanding debts will be paid as fund balance allows, including residential billing in accordance with appropriate rule and law.~~

~~C. Burial expenses may be paid as 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.~~

~~or other authorized entity by check as appropriate. But this will only be done after all outstanding debts are paid including residential billing in accordance with appropriate rule and law regarding terminated accounts statements. See Policy and Procedures Manual, Chapter 1100 Case Closure.~~

~~A. When a member dies, and 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.~~

~~B. Funds not attributed to Social Security benefits as identified on parts 3 and 4 of this section and not able to be assigned to a family member, estate, guardian, custodian, executor, or beneficiary will be paid to the Arizona Department of Revenue, Unclaimed Property Unit. (See their publication #601 for details).~~

~~1. Funds of deceased individuals may be used to pay for funeral expenses and shall be used for other outstanding debts, including residential room and board costs, before~~

77 ~~closing the account. Social Security (SSA, Title II) is paid after the month of eligibility. Any~~
78 ~~funds received from the SSA the month after the death of a member receiving SSA, shall~~
79 ~~not be spent, but shall be returned to the SSA.~~

80

81 ~~2.~~ Change in Representative Payee or Inactive Accounts Social Security Selected
82 a New Representative Payee

83 When the designated Representative Payee changes from the Division to another
84 entity, all debts incurred while the Division was the Representative Payee must be
85 paid, and all member funds identified as Social Security Benefits must be returned
86 to the SSA. The new Representative Payee may then request these funds from the
87 SSA. The funds are not to be transferred directly from the Division to the new
88 Representative Payee.

89 Inactive Accounts

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

95 Change in Representative Payee

96 ~~When the designated Representative Payee changes from the Division to another entity,~~
97 ~~all debts incurred while the Division was the Representative Payee must be paid, and all~~
98 ~~member funds identified as Social Security Benefits must be returned to the SSA. The~~
99 ~~new Representative Payee may then request these funds from the SSA. The funds are not~~
100 ~~to be transferred directly from the Division to the new Representative Payee.~~

101 Inactive Accounts

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

106 B.

107 ~~A.~~ ~~Supplemental Security Income (SSI) is paid in anticipation of eligibility. Any funds~~
108 ~~received from the SSA during the month of the member's death remain the~~
109 ~~property of the member's estate. Funds received the month after a member's~~
110 ~~death shall not be spent, but shall be returned to the Social Security~~
111 ~~Administration.~~

112 B.

113 ~~C.~~ ~~3.~~ ~~Social Security (SSA, Title II) is paid after the month of eligibility. Any funds~~

114 ~~received from the SSA the month after the death of a member receiving SSA, shall~~
115 ~~not be spent, but shall be returned to the SSA.~~

116 ~~D. —~~

117 ~~E. — For example, If the member dies on May 30th, the last day of the month,~~
118 ~~and the SSA check received the first of May was for April the check is due and~~
119 ~~payable as the member was alive and eligible for the entire month of Apr~~

120 ~~F. —~~

121 ~~G. — However, if a check is received the first of June for May, The Support~~
122 ~~Coordinator or designee shall returns the check as the member was not eligible for~~
123 ~~SSA for the entire month of May, the month the member died.~~

124 ~~H. —~~

125 ~~I. 4. Supplemental Security Income (SSI) is paid in anticipation of eligibility. Any~~
126 ~~funds received from the SSA during the month of the member's death remain the~~
127 ~~property of the member's estate. Funds received the month after a member's~~
128 ~~death shall not be spent, but shall be returned to the Social Security~~
129 ~~Administration.~~

130 ~~J. —~~

131 ~~K. — For example, if a SSI check comes May 1, and the member was alive during~~
132 ~~some portion of May, the check is due and payable. If a Check comes in June, the~~
133 ~~Support Coordinator or designee shall return it as the member was not alive or~~
134 ~~eligible in June.~~

135 ~~L. —~~

136 ~~M. For additional information regarding SSI resources, refer to Pub No. 05-10029~~
137 ~~Disability Benefits and 05-11011 "What You Need to Know When You Get SSI~~
138 ~~Benefits" (www.ssa.gov/pubs).~~

139 ~~N. —~~

140 O.C. To report changes to the SSA, call or visit your local Social Security office. The
141 Support Coordinator or designee shall document the phone call in the case record
142 including information on who they talked with, the date and the outcome. (Content
143 moved to Policy 4004-M)

144 ~~P. —~~

145 ~~Q. — To report changes to the Division, contact your local District Member funds~~
146 ~~Unit/staff.~~

147 ~~R. —~~

~~S. C. When a change in representative payee is made from the Division to another entity, after all debts incurred while the Division was the Representative Payee are paid, all of the Member Funds that can be identified as Social Security Benefits are to be returned to the SSA. The new representative payee is then to request these funds from the SSA. They funds are not to be transferred directly from the Division to the new representative payee. Providers shall not be representative payees for members. Additionally, agency board members are prohibited from being representative payees except for members of their own families who are members.~~

~~T.D. 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.~~

~~E.~~

~~U.F.~~

~~D. If the new representative payee is not the Division, any funds remaining in the "Member's Personal Allowance Fund" that were generated as a foster child shall be sent back to the Social Security Administration. The Social Security Administration may then transfer these funds to the new representative payee.~~

~~If the Division becomes the new representative payee, these funds are transferred to the new account that is set up in the local District Business Office for the member's personal use.~~

~~E. A person willing to become the representative payee must file a SSA form requesting a change in payee.~~

~~If no one else is available, the Division may request to become the representative payee. Or, Social Security may request/require the Division to become the representative payee. A Member Fund System account is set up in the local district Business Office.~~

~~The Social Security Administration is to be notified of the change of address to the local Business Office for the District.~~

~~For additional information regarding SSI resources, refer to:~~

- 186 • ~~Pub No. 05-10029—Disability Benefits and 05-11011—“What You Need to Know~~
187 ~~When You Get SSI Benefits” (www.ssa.gov/pubs).~~
- 188 • ~~Arizona Department of Revenue Publication #601 (www.azunclaimed.gov)~~
- 189

Draft for Public Comment