

To qualify to receive a fee, your organization must be a:

- State or local government agency with responsibility for income maintenance, social service, health care, or fiduciary duties; or
- Community-based, nonprofit social service organization that is bonded (see [Getting Approved as a FFS Payee](#) for an explanation of bonding requirements) and licensed (if licensing is available) in the State in which you serve as a payee.

In addition, your organization must:

- Regularly serve as a payee for at least five beneficiaries;
- Not be a creditor of the beneficiary;
- Obtain a SSA-445 (Application to Collect a Fee for Payee Services), in person, from your local SSA office and submit it to us; and
- Receive written authorization from us prior to collecting a fee.

We may grant an exception to the creditor restriction on FFS payees when:

- The goods or services that create the creditor relationship meet the current needs of the beneficiary. For this exception to apply, these items must be for the immediate needs of the beneficiary, such as food, clothing and housing (**creditor relationships that are established to discharge past debts do not meet this requirement**); and
- The cost of the goods and services provided by the organization are equitable. This means that the amount the organization charges the beneficiary for its services is consistent with rates charged other individuals and is reasonable for the services provided.

Important: A creditor organization's authorization to collect a fee for serving as a payee for one beneficiary does not extend to other beneficiaries for whom it is creditor. Rather, a creditor organization must request an authorization to collect a fee from us each time it applies to be payee. We will make a decision on a case-by-case basis.

Before your organization may collect a fee for performing payee services, you must request approval by obtaining a form SSA-445 (Application to Collect a Fee for Payee Services), in person, from your local SSA office, completing it, and submitting it to the office.

Some organizations that serve as payee have multiple extensions or branches. Each branch will serve as payee for beneficiaries in their area. To collect a fee from beneficiary funds for payee services, each branch must request approval with an SSA-445. The local SSA office approves each branch individually. If there is a change in ownership, you must submit a new SSA-445 and receive approval from us **before** continuing to collect a fee.

You may not begin collecting a fee until we approve the request in writing.

The following items are required from the organizational payee as part of the FFS application process;

- The SSA-445 (Application to Collect a Fee for Payee Services);
- Your EIN;
- Your organization's statement of purpose (mission statement);
- Your organization's service area (include the neighborhoods, cities and counties served);
- A list of the names, SSNs, and residence addresses of beneficiaries for whom you are already serving as a payee;
- A statement regarding any charges the organization currently imposes on any beneficiaries for its services; and
- The signature of the director or another individual who is legally empowered to act on behalf of the organization.

If your organization is not a State or local government agency, you must also submit the following documents with the request:

- A copy of your bonding and/or insurance policy (The minimum bonded amount must be enough to cover the average amount of money you handle for social security beneficiaries each month plus any conserved Social

Security or SSI funds you are holding. The bond/policy must cover embezzlement or theft by the organization's officers and employees.),

- A copy of your state license (provided that licensing is available in the State),
 - Proof of tax-exempt status in accordance with Sec. 501(c) of the Internal Revenue Code, and
 - A letter describing that you meet the community-based criteria.
 - Your organization's physical business office and your beneficiaries' residence addresses are located within the same local SSA office service area. If your organization serves beneficiaries outside your local SSA office service area, your organization's physical business office must be within 75 miles of your beneficiaries' servicing local SSA office.
 - Your physical business office is accessible to the public.
 - Your organization employs at least one staff person who works in the physical business office and handles payee responsibilities. The staff must be available during normal daytime business hours to provide in-person and telephone contact with beneficiaries you serve.
 - Your organization maintains the physical business office for the entire length of your service as a FFS payee.
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Example:

ABC Organization holds conserved funds of \$5,000 for its beneficiaries and receives an average of \$12,000 a month in Social Security payments. The bond/insured amount must be at least \$17,000.

If your organization receives our authorization to collect a fee for payee services, you should keep a copy of the approval letter for your records. You may not collect fees for any month prior to the month that we issued the fee approval notice to you.

- The P&A will visit your organization 6 months after we authorize you as a FFS payee to make sure you are complying with your new responsibilities.
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- We limit the amount of fee an authorized FFS payee may collect from each beneficiary. This maximum fee amount, however, may change because of a cost of living adjustment.
 - If you are a FFS payee, we will notify you by mail of any increase in the maximum fee allowed. If there *is* an increase, it would be effective in January of the next year. This means you could first collect the increased amount from the beneficiary's January payment.
 - As of January 2019, the monthly fee allowed for FFS payees is the **lesser of** 10% of the monthly benefit amount or \$43.
 - If **we determine** the beneficiary has a drug addiction or alcoholic condition, the monthly fee is the **lesser of** 10% of the monthly payment or \$82 in January 2019.
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FFS payee may not collect a fee:

- If your organization receives compensation from another source that equals or exceeds the payee fee allowed by us (including guardianship fees) for performing representative payee services;
- For any month in which the beneficiary doesn't receive a payment from us;
- For any month in which your organization did not provide payee services;
- For any month in which your organization serves less than five beneficiaries;
- If we have determined that you have misused a beneficiary's funds;
- From current monthly payments as compensation for past months of payee service; or
- From a beneficiary's conserved funds, or from an institutionalized beneficiary's personal needs funds (see [Special Rules for Beneficiaries Living in Institutions](#) for an explanation of personal needs funds).

Important: In certain circumstances, with our prior approval, an organization may be authorized to collect a fee from the payment of accrued past due benefits. We may allow this when we make a payment for a prior period of nonpayment or incorrect payment and the FFS payee:

- Is approved by us to collect a fee for the months for which the payment is made;
- Did not collect a fee (including a reduced fee) for the past due period;
- Provided representative payee services for the month for which payment is made; and
- Is still the representative payee of record when the past due payment is received.