# SOCIAL SECURITY

## *Reminder:  Social Security Uses PPD+ Format*
## *For Direct Deposit Payments to Representative Payees*

Since October 1998, the Social Security Administration (SSA) has included Addenda Records with some Social Security and Supplemental Security Income direct deposit payments.

### *Use of the Prearranged Payment and Deposit Entry (PPD+) ACH Format*

SSA issues approximately 10 percent of its payments (approximately 5 million per month) to individuals other than the person entitled to the benefits.  These "representative payees" are designated to act on behalf of beneficiaries who are deemed incapable of handling their own affairs because they are too young or are otherwise mentally or physically impaired.

In many instances, the representative payee is a family member.  In other instances, however, the representative payee is a nursing home or State mental facility.  SSA calls the latter "institutional representative" payees.

In the past, representative payees (particularly institutional representative payees) have encountered problems when receiving payments by direct deposit.  The reason is related to the fact that the representative payee legend typically exceeds the 22 characters available in the Individual Name field of the Prearranged Payment and Deposit (PPD) Entry Detail Record.  For example, a check issued to an institutional representative payee may read "Acme Nursing Home for John Doe."  When direct deposit is the method of payment, however, the legend in the Individual Name field would read "Acme Nursing Home for."

SSA has received numerous complaints from the institutional representative payee community indicating that the limitation on identifying information has served as an impediment to using direct deposit.  For this reason, SSA has decided to include an Addenda Record to display identifying information with all direct deposit payments being sent to representative payees.  The information included in Field 3 of the Addenda will be ANSI X12 syntax based.

### *Financial Institution Action*

SSA encourages receiving financial institutions to take one of two actions depending on the type of representative payee.  *The type of representative payee (i.e., individual versus institutional representative payee) can be determined by referring to the Entry Identifier Code contained in positions 4 and 5 of Field 3 of the Addenda Record*.  When

the code equals "GD," the representative payee is an individual.  When the code equals "1U," the representative payee is an institution.

### Representative Payee Is An Individual

Financial institutions should display the addenda information on the representative payee's monthly account statement together with the credit entry.

### Representative Payee Is An Institution

The receiving financial institution must arrange to pass through to the institutional representative payee as quickly as possible pertinent information from both the Entry Detail Record and the Addenda Record.  This information is needed by the institutional representative payee to reconcile beneficiaries' account records.  The method of providing the information (e.g., listing, diskette, etc.) is at the discretion of the financial institution and the institutional representative payee.  The privacy of personal information contained in these records must be a consideration, however.

*Example of Information Included in Field 3 of the PPD+ Addenda Record Format For Payments To An Institutional Representative Payee*

**N1\*[ENTITY IDENTIFIER CODE]\*[NAME]\N1\*[ENTITY IDENTIFIER CODE]\*[NAME]\*[IDENTIFCATION CODE QUALIFIER]\*[IDENTIFCATION CODE]\**

| FIELD NAME | FIELD REQUIREMENTS | MIN/MAX USE | CONTENTS | DESCRIPTION |
|---|---|---|---|---|
| Segment Identifier | Mandatory | 2/2 | N1 | Name Segment Identifier |
| Separator | | 1/1 | * | Separator |
| Entity Identifier Code | Mandatory | 2/2 | GD (or) 1U | Individual Guardian (or) Long Term Care Facility |
| Separator | | 1/1 | * | Separator |
| Name | Mandatory | 1/22 | nnnnnnnnnnnnnnnnnnnnnn | Institutional Representative Payee Name |
| Delimiter | | 1/1 | \ | Delimiter |
| Segment Identifier | Mandatory | 2/2 | N1 | Name Segment Identifier |
| Separator | | 1/1 | * | Separator |
| Entity Identifier Code | Mandatory | 2/2 | BE | Beneficiary |
| Separator | | 1/1 | * | Separator |
| Name | Mandatory | 1/22 | nnnnnnnnnnnnnnnnnnnnnn | Beneficiary Name |
| Separator | | 1/1 | * | Separator |
| Identification Code Qualifier | Mandatory | 2/2 | 34 | Social Security Number Identifier |
| Separator | | 1/1 | * | Separator |
| Identification Code | Mandatory | 9/9 | nnnnnnnnn | Beneficiary's Social Security Number |
| Terminator | | 1/1 | \ | Terminator |

Note – Some field lengths under ANSI X12 standards may actually exceed the lengths indicated above.  SSA plans to limit the data, however, to the maximum number of characters indicated.