

**1617.5 How Much Money Should Be Set Aside For Personal Needs Of Beneficiaries Who Are In Institutions Or Nursing Homes?**

The representative payee is required to set aside at least \$30 each month for a beneficiary living in an institution or nursing home, to be used for the beneficiary's personal needs or saved on his or her behalf.

**1617.6 What Is Misuse Of Social Security And/Or SSI Funds?**

Misuse occurs when a representative payee converts Social Security and/or SSI payments for purposes other than the "use and benefit" of the beneficiary or for certain legal dependents of the beneficiary after the beneficiary's current and reasonably foreseeable needs are met as explained in 1617.2.

**1617.7 Does A Representative Payee Who Misuses Funds Owe The Beneficiary The Money?**

When SSA determines that a representative payee has misused a beneficiary's Social Security and/or SSI payments, the payee owes the beneficiary the full amount of funds misused. SSA will reissue the misused benefits to the beneficiary and recover the misused funds from the payee when the payee is:

- A. An organization or an individual payee serving 15 or more beneficiaries; or
- B. An individual representative payee serving 14 or fewer beneficiaries and SSA was negligent in following procedures to investigate or monitor the representative payee's actions.

SSA will seek restitution of the misused benefits from the representative payee by treating the misused amounts as an overpayment to the misuser payee.

**1617.8 What Are The Penalties For Misused Social Security Or SSI Funds?**

When a representative payee misuses funds, we may refer the case for criminal prosecution. The penalty upon conviction for a payee's misuse of funds may be a fine of up to \$250,000, imprisonment up to 10 years, or both.

When the case is not criminally prosecuted, SSA may impose a civil monetary penalty up to \$5,000 for each payment or partial payment misused and an assessment of not more than twice the amount of the misused benefits.

*Last Revised: Apr. 26, 2010*