



## SOCIAL SECURITY

### **Social Security Expands Its Use of Prearranged Payment and Deposit (PPD+) Format For Direct Deposit of Representative Fee Payments**

The Social Security Administration (SSA) issues fee payments either by check or direct deposit to individuals who have represented Social Security claimants. SSA's goal is to make most payments, including representative fee payments, by direct deposit.

However, some representatives have encountered problems when receiving payments by direct deposit. This is because the name legend entered in the PPD format typically exceeds the 22 characters available in the Individual Name field of the Entry Detail Record. For example, a check issued to an attorney may read "John Altmeyer ATTY FOR James Crandle" while that for an eligible non-attorney would read "Mary Bellwitts REP FOR James Crandle." When direct deposit is the method of payment, however, the legend in the Individual Name field would read "John Altmeyer ATTY FOR" or "Mary Bellwitts REP FOR."

In addition, the Department of the Treasury plans to truncate the nine digit Social Security number in the Entry Detail record to only display the last four numbers. This is because many financial institutions were automatically capturing the SSN from the Detail Record and printing it on customers' monthly statements raising privacy concerns among customers.

SSA has received numerous complaints from the representative community indicating that the limitation on identifying information has served as an impediment to using direct deposit. For this reason, SSA decided to include an Addenda Record to display identifying information with all direct deposit fee payments sent to representatives. The information is included in Field 3 of the Addenda Record (Payment Related Information) and is based on ANSI X12 (American National Standards Institute coding for Electronic Data Interchange) syntax.

#### **Financial Institution Action**

SSA encourages receiving financial institutions to pass through to their account holders, as quickly as possible, pertinent information from both the Entry Detail Record and the Addenda Record when a fee payment is received. The representative needs this addenda information to reconcile their client account records. The method of providing this information to the account holder is at the discretion of the financial institution and its customer.

The Addenda Record will contain the first 22 characters of both the representative's and beneficiary's names as well as the beneficiary's full Social Security number to ensure that we provide full identifying information as part of the representative fee payment record.

Example of information included in the PPD Addenda Record Format for payments to a representative:

705N1\*LA\*JOHN ALTMAYER [SPACES] \N1\*BE\*JOHN CRANDLE [SPACES] \*34\*987654321\ [SPACES] 00011234567

<b>Position</b>	<b>Data Element Type</b>	<b>Length</b>	<b>Contents</b>
01-01	RECORD TYPE CODE	1	'7'
02-03	ADDENDA TYPE CODE	2	'05'
04-05	ANSI X12 DATA SEGMENT IDENTIFIER	2	'N1' – PARTY IDENTIFICATION
06-06	ANSI X12 DATA ELEMENT DELIMITER	1	'*'
07-08	ANSI X12 ENTITY IDENTIFIER CODE	2	'LA' – ATTORNEY/REPRESENTATIVE
09-09	ANSI X12 DATA ELEMENT DELIMITER	1	'*'
10-31	ANSI X12 NAME	22	REPRESENTATIVE NAME
32-32	ANSI X12 DATA SEGMENT DELIMITER	1	'\'
33-34	ANSI X12 DATA SEGMENT IDENTIFIER	2	'N1' – PARTY IDENTIFICATION
35-35	ANSI X12 DATA ELEMENT DELIMITER	1	'*'
36-37	ANSI X12 ENTITY IDENTIFIER CODE	2	'BE' – BENEFICIARY
38-38	ANSI X12 DATA ELEMENT DELIMITER	1	'*'
39-60	ANSI X12 NAME	22	BENEFICIARY NAME
61-61	ANSI X12 DATA ELEMENT DELIMITER	1	'*'
62-63	ANSI X12 IDENTIFICATION CODE QUALIFIER	2	'34' – SOCIAL SECURITY NUMBER

64-64	ANSI X12 DATA ELEMENT DELIMITER	1	'*'
65-73	ANSI X12 IDENTIFICATION CODE	9	BENEFICIARY'S OWN ACCOUNT NUMBER
74-74	ANSI X12 DATA SEGMENT DELIMITER	1	'\'
75-83	FILLER	9	SPACES
84-87	ADDENDA SEQUENCE NUMBER	4	'0001'
88-94	ENTRY DETAIL SEQUENCE NUMBER	7	LAST 7 DIGITS OF TRACE NUMBER FROM ENTRY DETAIL RECORD

Note: Some field lengths under ANSI X12 standards may actually exceed the lengths indicated above. SSA has limited the data, however, to the maximum number of characters indicated in the record layout shown above.