

Contents

Part one – Other Payees

Introduction	1000
Making changes to the Other Payee's CIS account	1050
Types of Other Payees	1100
Third Party Payees	1101
Personal Acting Bodies and Corporate Other Payees	
Personal Acting Body	1150
Corporate Other Payee	1170
Deputy	1190
Controller	1200
Guardian, CB & T	1210
Attorney	1220
Appointee	1230
Parent/Guardian	1240
Authorized Payees	1300
Death Arrears Payee	1320
Split Payment Payee	1330
Third Parties	1350
Bank or building society accounts	1351
Post Office® card accounts	1352
Signing Agent.....	1380
International Pension Centre	1381
Other Payee flowchart	1400

Part one – Other Payees

Introduction

- 1000 A customer may require someone to collect or receive payments on their behalf. This may be at their request or an arrangement that is made for them.
- 1001 Anyone who collects or receives payments on behalf of the customer in these circumstances becomes known as an OP.
- 1002 As well as being an individual, an OP can be an organization such as a LA or NH. In these circumstances the OP is referred to as a COP.
- I 1003 CIS must hold an account for both the customer and the OP before payment can be made.
1004 - 1005
- I 1006 In order to record the OP on CIS you must have a NINO for the OP (but see 1009 below for COP) or, exceptionally when the OP is aged under 16, a CRN.
- 1007 The only OP types who can be under 16 are agents. (Please note that Permanent Agents must be over 16. Where a CRN is used to identify such OPs, it must not be referred to as a NINO until it is entered on the National Insurance Recording System which usually takes place at age 15 years and 9 months.
- 1008 If the OP does not quote the NINO/CRN, you should trace it using existing business procedures. For more information, refer to your existing business procedures.
- I 1009 If you are recording a COP on CIS, you are recording details of an organization. The use of a NINO/CRN would be inappropriate in these circumstances See para 1176 et seq.
1010 - 1049

Making changes to the Other Payee's CIS account

1050 Any changes to personal details including bank, building society or Post Office® details
| should be recorded in the relevant CIS/CPCS dialogues.

1051 - 1099

Types of Other Payees

1100 These are the types of OPs:

- deputy
- Controller
- Judicial factor
- guardian
- curator bonis
- tutor
- attorney
- appointee
- parent/guardian
- alternative payee
- DAP
- SPP

Third Party Payees

1101 Under Direct Payments customers who can manage their own affairs but are unable to go to the bank, building society or Post Office® may be able to arrange for a person they know and trust to have access to the account where the benefits are paid. (See *Collection of Payment by an individual 3rd party* in *Part eight* of this guide).

1102 - 1049

Personal Acting Bodies and Corporate Other Payees

Personal Acting Body

- 1150 A PAB is a named person appointed to look after all or some aspects of a customer's affairs.
- 1151 A PAB can be appointed by:
- the courts to administer all aspects or specified aspects of a customer's affairs **or**
 - an officer (acting on behalf of the Secretary of State) to administer all aspects of a customer's affairs relating to benefits, pensions and allowances
- 1152 The following OP types are known as PABs:
- **deputy** – appointed by the Court of Protection in England and Wales
 - **controller** – appointed by the Office of Care and Protection in Northern Ireland
 - **judicial factor** – appointed by the Court in Scotland
 - **guardian** – appointed by a court in Scotland on or after 01.04.2002
 - **curator bonis** – appointed by a court in Scotland before 01.04.2002
 - **tutor** – appointed by a court in Scotland before 01.04.2002
 - **attorney with PoA** – appointed by the customer and legally supported
 - **attorney with EPoA** – and, where appropriate, appointed by customer and registered with OPG
 - **attorney with LPA** – appointed by the customer and registered with OPG
 - **appointee** – appointed by an officer acting on behalf of the Secretary of State
 - **parent/guardian** – only used for Disability Living Allowance (DLA) and by the veteran's Agency (VA).
- 1153 In the above list only deputy and those appointed by the court in Scotland have a higher status than a DWP appointee for payment of benefit.

Example

If the customer has a PAB whose status appears above 'appointee' in the above list, an officer (acting on behalf of the Secretary of State) **cannot** usually authorize an appointee to administer the customer's affairs relating to benefits, pensions and allowances. The only exception is when the existing PAB no longer has authority to act, or the Department has received written confirmation that the PAB no longer wants to act on the customer's behalf.

- 1154 The customer's PAB is responsible for reporting all changes in:
- the customer's circumstances but only where the customer has lost capacity **and**
 - their own circumstances that the Department may require, eg a change of name or address or change of account.

1155 - 1169

Corporate Other Payee

- 1170 A COP is not a named individual, but an organization appointed to act for a customer, eg:
- a LA
 - CH
 - an AHA **or**
 - a firm of solicitors.

Note: This list is not exhaustive.

- 1171 COPs are dealt with in the same way as PABs, eg treat a receiver acting for an organization in the same way you would treat a receiver who is an individual.

- 1172 The following OP types can be COPs:

- **deputy** – appointed by the CP in England and Wales
- **controller** – appointed by the Office of Care and Protection in Northern Ireland
- **attorney** – appointed by the customer and legally supported
- **appointee** – appointed by an officer acting on behalf of the Secretary of State.

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1175 **It is important to determine whether an individual is acting in a personal or a professional capacity (e.g. an accountant or a solicitor acting for a family member).**

1176 If the individual is acting in a personal capacity, use his or her NINO as an identifier.

1177 | If the individual is acting as an employee of a Corporate Organization, use CIS to trace for an existing Corporate Organization ID. If there is no trace, use PD385 to create a new record. CIS will generate a unique 6 digit ID for the organization.

Note: A Corporate Organization can only have one corporate ID. If you discover that they have more than one then action needs to be taken to rationalise the position. You may want to discuss with the organization which number they want to use. You should use form CAPS22 from the PD User Guide to alert Pensions IS/IT Directorate to the problem.

1178 In no circumstances should the individuals' NINO be used, nor should any attempt be made to trace it.

1179 Although an individual authorized by the COP's organization will usually act on behalf of the organization to complete forms and collect payments, you **must** record the organization as the COP, **not the individual**.

Example

The LA's Finance Director Peter Jones is the person who actually acts for all the customers for whom the LA is the COP.

Despite this, **do not** record the COP as 'Peter Jones' or 'Finance Director'. The correct COP is the LA, e.g. 'Leeds City Council'.

For more information, see Action following verification of a PAB/COP in Part six of this guide.

1180 If the individual is acting as an employee of a Corporate Organization, the organization must provide him or her with a letter of authority confirming that the individual is acting on their behalf. Form BF57 includes a certificate for completion by the organization at Part 4 - **see Appendix 2**.

1181 - 1189

Deputy

1190 A deputy is appointed by the Court of Protection in England or Wales to act on the customer's behalf to deal with all their financial affairs and/or personal welfare. Deputies appointed to act on the customer's behalf *in relation to financial matters* can act on the customer's behalf in all their dealings with the Department.

1191 If you receive a claim or enquiry from a person who claims to have been appointed as a customer's deputy, see *Deputy (England and Wales)* in Part two of this guide.

1192 - 1199

Controller

1200 A controller is appointed by the Office of Care and Protection in Northern Ireland to act on the customer's behalf to deal with all their financial affairs. Controllers are only valid in Northern Ireland. Once appointed they may act on the customer's behalf in all their dealings with the Department without appointment by the Secretary of State.

1201 If you receive a claim or enquiry from a person who claims to have been appointed as a customer's controller, see your own business procedures.

1202 - 1209

Guardian, CB & T

1210 A guardian curator bonis, or tutor with full powers is appointed by a court in Scotland to act on the customer's behalf to deal with all their financial affairs. Once appointed they may act on the customer's behalf in all their dealings with the Department without appointment by the Secretary of State.

1211 If you receive a claim or enquiry from a person who claims to have been appointed as a customer's guardian, curator bonis or tutor, see *Curator bonis, Tutor or Guardian (Scotland)* in *Part three* of this guide.

1212 The law in Scotland changed on 01 April 2002. From that date the terms 'Curator Bonis' and 'Tutor' are no longer used. Instead Guardians will be appointed. For full details see *Part three* of this guide.

1213 A curator bonis can still act for children under 16 in Scotland. When the customer reaches the age of 16 then the curator bonis will become the child's guardian.

1214 - 1219

Attorney

1220 A PoA is a formal instrument by which one person (a donor) empowers another (a donee, who is the attorney) to act on his behalf either generally or in specific circumstances.

1221 The PoA can be granted to:

- an individual
- two or more individuals, i.e. joint attorneys **or**
- an organization.

1222 If you receive a claim or enquiry from a person who claims to have been appointed as a customer's attorney, see *Attorney* in *Part four* of this guide.

1223 - 1229

Appointee

1230 An officer acting on behalf of the Secretary of State can authorize someone else to act on a customer's behalf if the customer is incapable of managing their own affairs. This is called an appointment to act and the person or organization appointed to act is called an appointee.

1231 Appointee action should only be authorized if a customer is incapable of managing their own affairs even if they require some support to do this, e.g. due to a mental or extreme physical disability they are unable to make a claim or continue to manage an existing claim. Appointee action is not appropriate for customers who are capable of dealing with their own affairs.

Example

Appointee action is **not** appropriate if the customer merely needs someone to:

- collect their money from the bank, building society or Post Office® **or**
- help them to budget

1232 An appointee can be:

- an individual, e.g. a relative or friend **or**
- an organization, e.g. an LA or a NH.

1233 If someone requests appointee action and you are satisfied it may be appropriate, see *Appointee* in *Part five* of this guide.

1234 - 1239

Parent/Guardian

- 1240 A DLA or VA officer acting on behalf of the Secretary of State must authorize:
- in England or Wales, a parent or guardian to act on a child's behalf for the DLA
 - in Scotland, a guardian to act on a child's behalf for the DLA and/or War Pensions benefits only. The guardian is usually the child's parent.
- 1241 For guidance about authorizing a parent or guardian to act on a child's behalf, refer to your existing business procedures.
- 1242 - 1299

Authorized Payees

1300 | For CIS purposes, the following OP types are known as authorized payees:

- Alternative Payee
- DAP
- SPP.

1301 | After appointment, authorized payees can collect payments without any further authorization from the customer.

1302 - 1319

Death Arrears Payee

1320 | An officer acting on behalf of the Secretary of State can authorize a DAP to receive any payment outstanding after the customer's death. If the DAP is an organization or a representative of an organization acting in an official capacity, they are known as a corporate DAP.

1321 | You **must** verify the customer's date of death **before** you authorize a DAP. For guidance on DAPs, see your existing business procedures and the *CAPS Personal Details User Guide*.

1322 - 1329

Split Payment Payee

1330 | An officer acting on behalf of the Secretary of State can authorize a SPP to receive part or all the customer's benefit.

1331 | Consider authorizing an SPP if there is a need to protect the interests of the customer or members of their family. For more information about SPPs, see *Split Payment Payee* in *Part seven* of this guide.

1332 - 1349

Third Parties

- 1350 If the customer is capable of managing their own affairs but needs someone to help them collect their benefit they can authorize someone they trust to help.

See collection of payment by an individual third party in Part 8 of this guide.

Bank or building society accounts

- 1351 When the customer's benefit is paid directly into an account it may be possible for the customer to authorize a third party to access their account and collect their benefit for them. The precise arrangements will depend on the type of account they have and with which account provider. Customers should be told to contact their bank, building society or other account provider to check what arrangements are available.

Post Office® card accounts

- 1352 If the customer is paid directly into a POca they can authorize someone they trust to have permanent access to their account. That person would be called a **Permanent Agent**. They would have their own card and PIN.

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Signing Agent

- 1380 With the introduction of DP into an account Signing Agents are no longer appropriate.

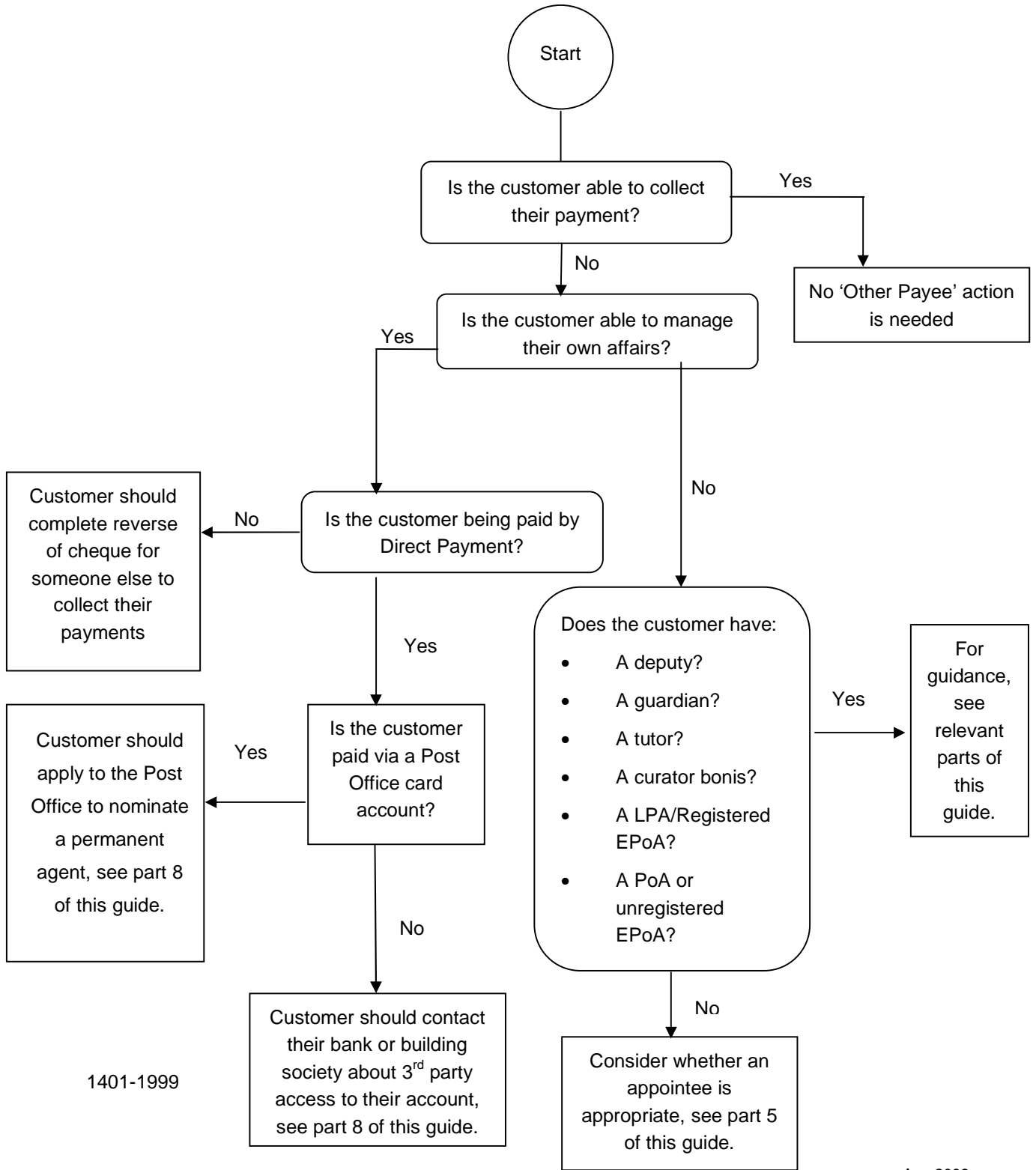
International Pension Centre

1381 Where the customer wishes payment to be made to someone overseas please see further information about IPC (Y) agents in your own business guidance.

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Other Payee flowchart

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