

**§ 410.585**

**§ 410.585 Conservation and investment of payments.**

Payments certified to a relative or other person on behalf of a beneficiary which are not needed for the current maintenance of the beneficiary except as they may be used pursuant to § 410.587, shall be conserved or invested on the beneficiary's behalf. Preferred investments are U.S. Savings Bonds, but such funds may also be invested in accordance with the rules applicable to investment of trust estates by trustees. For example, surplus funds may be deposited in an interest- or dividend-bearing account in a bank or trust company, in a savings and loan association, or in a credit union, if the account is either federally insured or is otherwise insured in accordance with State law requirements. Surplus funds deposited in an interest- or dividend-bearing account in a bank or trust company, in a savings and loan association, or in a credit union, must be in a form of account which clearly shows that the representative payee has only a fiduciary, and not a personal, interest in the funds. The preferred forms of such accounts are as follows:

\_\_\_\_\_ (Name of beneficiary)  
by \_\_\_\_\_, (Name of representative payee) representative payee; or  
\_\_\_\_\_ (Name of beneficiary)  
by \_\_\_\_\_, (Name of representative payee) trustee.

U.S. Savings Bonds purchased with surplus funds by a representative payee for a minor should be registered as follows:

\_\_\_\_\_ (Name of beneficiary)  
\_\_\_\_\_ (Social Security No.), a  
minor, for whom \_\_\_\_\_ (Name of payee) is representative payee for black lung benefits.

U.S. Savings Bonds purchased with surplus funds by a representative payee for an incapacitated adult beneficiary should be registered as follows:

\_\_\_\_\_, (Name of beneficiary) \_\_\_\_\_ (Social Security No.), for whom \_\_\_\_\_ (Name of payee) is representative payee for black lung benefits.

A representative payee who is the legally appointed guardian or fiduciary of the beneficiary may also register U.S. Savings Bonds purchased with funds from the payment of benefits under part B of title IV in accordance with applicable regulations of the U.S. Treasury Department (31 CFR 315.5

through 315.8). Any other approved investment of the beneficiary's funds made by the representative payee must clearly show that the payee holds the property in trust for the beneficiary.

[41 FR 17892, Apr. 29, 1976]

**§ 410.586 Use of benefits for beneficiary in institution.**

Where a beneficiary is confined in a Federal, State, or private institution because of mental or physical incapacity, the relative or other person to whom payments are certified on behalf of the beneficiary shall give highest priority to expenditure of the payments for the current maintenance needs of the beneficiary, including the customary charges made by the institution (see § 410.584) in providing care and maintenance. It is considered in the best interest of the beneficiary for the relative or other person to whom payments are certified on the beneficiary's behalf to allocate expenditure of the payments so certified in a manner which will facilitate the beneficiary's earliest possible rehabilitation or release from the institution or which otherwise will help him live as normal a life as practicable in the institutional environment.

[37 FR 20651, Sept. 30, 1972]

**§ 410.587 Support of legally dependent spouse, child, or parent.**

If current maintenance needs of a beneficiary are being reasonably met, a relative or other person to whom payments are certified as representative payee on behalf of the beneficiary may use part of the payment so certified for the support of the legally dependent spouse, a legally dependent child, or a legally dependent parent of the beneficiary.

[37 FR 20651, Sept. 30, 1972]

**§ 410.588 Claims of creditors.**

A relative or other person to whom payments under part B of title IV of the Act are certified as representative payee on behalf of a beneficiary may not be required to use such payments to discharge an indebtedness of the beneficiary which was incurred before the first month for which payments are certified to a relative or other person