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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 a statutory 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 Organisation such as a LA. In these circumstances the OP is referred to as a COP.

1003 CIS must hold an account for both the customer and the OP before payment can be made.

1004 - 1005

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.

1009 If you are recording a COP on CIS, you are recording details of an organisation. The use of a NINO/CRN would be inappropriate in these circumstances See para 1176 et seq.

1010 - 1049

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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
- attorney
- appointee
- parent/guardian
- alternative payee
- DAP
- SPP

1101 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. (Note that for UC, PIP, ESA(C) and JSA(C) an attorney is also a higher authority)

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.

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 benefit affairs.

1151 A PAB can be appointed by:

the courts eg a deputy

the customer eg an attorney

an officer (acting on behalf of the Secretary of State) - an appointee

1152 - 1169

Corporate Other Payee

1170 A COP is not a named individual, but an organisation appointed to act for a customer, eg:

- a LA
- CH
- a firm of solicitors.

Note: This list is not exhaustive.

1171 COPs are dealt with in the same way as PABs, eg treat a deputy acting for an Organisation in the same way you would treat a deputy 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
- **Power of attorney** – appointed by the customer and legally supported
- **appointee** – appointed by an officer acting on behalf of the Secretary of State.

1173 - 1174

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 Organisation, use CIS to trace for an existing Corporate Organisation ID. If there is no trace, use PD385 to create a new record. CIS will generate a unique 6 digit ID for the Organisation.

Note: A Corporate Organisation 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 Organisation 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 a Corporate Organisation be asked for a NINO.

1179 Although an individual authorised by the COP's organisation will usually act on behalf of the Organisation to complete forms and collect payments, you **must** record the Organisation 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 Organisation, the Organisation must provide him or her with a letter of authority confirming that the individual is acting on their behalf.

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

1210 A guardian 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, see *Guardian (Scotland)* in *Part three* of this guide.

1212 - 1219

Power of 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 authorise 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 organisation appointed to act is called an appointee.

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

1231 Appointee action should only be authorised 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.

1232 An appointee can be:

- an individual, e.g. a relative or friend or
- an Organisation, e.g. an LA

1233 If someone requests appointee action, go to 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

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Authorised Payees

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

- Alternative Payee
- DAP
- SPP.

1301 After appointment, authorised 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 authorise a DAP to receive any payment outstanding after the customer's death. If the DAP is an organisation or a representative of an Organisation 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

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Third Parties

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

1353 - 1379 .

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.

1382 - 1399

Other Payee flowchart

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