

Changes to Processing a Claim for a Minor Child Unassociated to Surviving Spouse (Not in Surviving Spouse's Custody)

Introduction

With VBMS 14.1 update we can now grant Dependency and Indemnity Compensation (DIC) benefits to the minor child who is not in the custody of the surviving spouse. It is no longer necessary to use the apportionment work around. The process for granting DIC benefits to the minor child is similar to the granting school children and helpless children benefits process, apart from the Award status used. Select the "Minor Child Unrelated to Surviving Spouse" Award status option, it is a new Award status ensuring VBMS is generating accurate rates.

New process under ACR309 to grant initial benefits to minor child when there is a surviving spouse:

Step 1: Setup an End Product (EP) for the surviving minor child of the Veteran.

Step 2: Create a Compensation and Pension Death (CPD) child award for the minor child.

Step 3: In Basic Eligibility add decision of "Eligible for DIC" and enter applicable dates.

Step 4: In the DIC Spouse Status add the decision "DIC spouse award exists" with applicable dates.

Step 5: In Status of All Children screen enter event date, select award status of "Minor Child Unrelated to Surviving Spouse" and select Decision of "Eligible Minor Child".

Step 6: Generate award, (the rates are calculated based on the amount payable to a surviving spouse for minor children).

Step 7: Authorize award.

Process to fix awards that are currently in the system as an apportionment:

Step 1: Setup an EP for the surviving spouse (e.g., a 930).

Step 2: In the CPD Spouse award, update the dependents screen to make the child not an award dependent effective Date Last Paid (to prevent

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overpayment to any of the dependents).

Step 3: In the apportionment screen terminate the apportionment for the child or children, effective Date Last Paid.

Step 4: Generate the award for the CPD Spouse.

Step 5: Authorize award.

Step 6: Setup an EP for each minor child who is not in the custody of the surviving spouse, (but was previously granted benefits via the apportionment workaround).

Step 7: In Basic Eligibility add decision of “Eligible for DIC” and make them eligible Date Last Paid.

Step 8: In the DIC Spouse Status add the decision “DIC spouse award exists” with the applicable date of spouse’s award, and Date Last Paid for “Affects Childs Award On” date field.

Step 9: In Status of All Children screen enter the event date to make Award Effective Date equal Date Last Paid. Select award status of “Minor Child Unrelated to Surviving Spouse” and select Decision of “Eligible Minor Child”.

Step 10: Generate award, (the rates are calculated based on the amount payable to a surviving spouse for minor children).

Step 11: Authorize award.

Process to deny Minor Child not in Surviving spouse’s custody if claimed by the surviving spouse on her application:

Step 1: Setup an EP for the surviving spouse.

Step 2: Create a CPD Spouse Award.

Step 3: In Basic Eligibility, enter a MOD decision and a decision of “Eligible for DIC”.

Step 4: In Dependents Screen, enter award status for a minor child of “Not Award Dependents” and a decision of “DIC Minor Child Unrelated to Spouse on Separate Award”.

Step 5: Generate award.

Step 6: Award should generate with rates just for the surviving spouse, (no additional benefits for the child or the additional minor child 2-year benefit apply, unless there is another child with benefits as a child of the surviving spouse).

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Step 7: Authorize award.

Process to update child's award if the Surviving Spouse's entitlement to DIC benefits is terminated for any reason (such as remarriage) which will affect child's rates:

Step 1: Setup an EP for the surviving child.

Step 2: In record decisions, change the DIC Spouse Status to "No DIC Spouse Award Exists", and the date fields should both be the date the surviving spouse's award is terminated.

Step 3: In Status of All Children screen, add a decision of award status of "Minor Child" with a decision of "Eligible Minor Child" with an award effective date equal to the date the surviving spouse's award is terminated.

Step 4: Generate the award. DIC should continue for the child and the child's rate should increase on the same date the surviving spouse's award is terminated, (based on the dates entered in DIC Spouse Status and Status of All Children screens).

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