Dependency Development for Compensation

Trainee Handout

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Objectives

At the end of this lesson, you will be able to:

* Understand the rules for establishing and removing dependents for disability compensation purposes
* Identify when to develop for missing or additional information and when to deny a claim for dependency
* Determine the different types of dependents for which additional compensation can be paid, to include the rules for each type of dependent
* Understand actions to take upon receipt of incomplete claims or claims not received on prescribed forms
* Understand the effective dates and payment dates for establishing and removing dependents, as well as the effects of Sharp v. Shinseki

References

* [38 CFR 3.1(j)](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_11&rgn=div8), Definitions, *Marriage*
* [38 CFR 3.4(b)(2)](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_14&rgn=div8), *An additional amount of compensation*
* [38 CFR 3.31](http://www.ecfr.gov/cgi-bin/text-idx?SID=b57d841492c3839ebb7f9c89404763b2&mc=true&node=se38.1.3_131&rgn=div8), *Commencement of the period of payment*
* [38 CFR 3.50](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_150&rgn=div8), *Spouse and surviving spouse*
* [38 CFR 3.57](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_157&rgn=div8), *Child*
* [38 CFR 3.58](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015802%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-G-Establishing-a-Biological-Child-Adopted-Child-or-Stepchild-as-a-Veterans-Child-for-Department-of-Veterans-Affairs-VA-Purposes), *Child adopted out of family*
* [38 CFR 3.109](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1109&rgn=div8), *Time Limit*
* [38 CFR 3.204](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1204&rgn=div8http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1204&rgn=div8), *Evidence of dependents and age*
* [38 CFR 3.210](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1210&rgn=div8), *Child's relationship*
* [38 CFR 3.216](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1216&rgn=div8)**,** *Mandatory disclosure of Social Security numbers*
* [38 CFR 3.315(a)](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1315&rgn=div8), *Child over 18 years*
* [38 CFR 3.401(b)](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1401&rgn=div8), Veterans, *Additional* *compensation or pension for dependent*
* [38 CFR 3.403(a)(5)](http://www.ecfr.gov/cgi-bin/text-idx?SID=66a97639304fef1cb9da1b4424dbe127&mc=true&node=se38.1.3_1403&rgn=div8),*Children*
* [M21-1 Part III, Subpart iii, 1.D.2.a](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent/portal/554400000001034/article/554400000036530/M21-1-Part-III-Subpart-iii-Chapter-1-Section-D-Record-Maintenance-During-the-Development-Process), *Identifying Contentions*
* **M21-1 Part III, Subpart iii, 5**, Relationship and Dependency; to include, but not limited to the following:
* [M21-1 Part III. Subpart iii, 5.A](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015798%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-A-General-Information-on-Relationship-and-Dependency), *General Information on Relationship and Dependency*
* [M21-1 Part III. Subpart iii, 5.B](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015799%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-B-Establishing-the-Validity-of-a-Marriage-for-Department-of-Veterans-Affairs-VA-Purposes), *General Information on Establishing Marital Relationship*
* [M21-1 Part III. Subpart iii, 5.C](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015795%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-C-Establishing-Common-Law-Marriages), *Establishing Common Law Marriages*
* [M21-1 Part III. Subpart iii, 5.D](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015800%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-D-Establishing-Other-Types-of-Marriages), *Establishing Other Types of Marriages*
* [M21-1 Part III. Subpart iii, 5.F](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015796%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-F-Establishing-a-Childs-Age-and-Relationship), *Establishing a Child’s Age and Relationship and Adjusting Awards for Dependents*
* [M21-1, Part III, Subpart iii, 5.G](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015802%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-G-Establishing-a-Biological-Child-Adopted-Child-or-Stepchild-as-a-Veterans-Child-for-Department-of-Veterans-Affairs-VA-Purposes), *Establishing a Biological Child, Adopted Child, or Stepchild as a Veteran’s Child for VA Purposes*
* [Rating Job Aids](http://vbaw.vba.va.gov/bl/21/rating/rat00.htm) page - Letter Creator tool (Follow the link, then click on “Letter Creator.”)

All M21-1 references are found in the [Live Manual Website](https://vaww.compensation.pension.km.va.gov/).

Topic 1: Dependency Development Rules

***Dependency Basics***

**Remember, a Veteran must have at least a 30% combined evaluation due to service-connected disabilities before dependency becomes an issue.**

\*For claims received on or after March 24, 2015, all information must be completed on the **prescribed form**. See Topic 2 for additional information.

*8-year rule:* When processing a rating decision, even if the Veteran has not specifically claimed dependents with the claim for service connected compensation, if complete dependency information is of record and was received within the last eight years (of the date the VSR is generating the award), add all eligible dependents. For information more than eight years old, development is needed.

***When to Develop and/or Deny***

**Develop**

* When information is missing from source document
* When additional evidence is needed
* When there is conflicting information

Follow the instructions in [M21-1, Part III, Subpart iii, 5.A.1.i](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015798%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-A-General-Information-on-Relationship-and-Dependency), creating a development letter in VBMS and MAP-D (when VBMS is not available or not appropriate).

**Denying Claims**

If the individual lacks the status of a dependent, deny without any further development.

If additional information is needed from the Veteran or claimant before a decision can be made, VA must send a letter informing him or her what is still needed, and provide 30 days to respond. Dependency development letters can be created in VBMS-Core under a “Subsequent Development Letter.”

If the 30 day suspense has expired and the Veteran or claimant has not responded, the dependency claim should be denied for “Failure to Furnish Requested Evidence.”

***Upfront Dependency Development***

The existence of dependents is ***not*** a factor in determining entitlement to disability compensation.  Nevertheless, in order to ensure a Veteran receives all the benefits to which he or she is entitled in a timely manner, undertake any development necessary to establish entitlement to additional compensation for dependents during the initial development phase of claims processing upon receipt of

* an original or reopened claim for disability compensation, or
* a claim for increased disability compensation

The upfront development referenced in the above paragraph must be undertaken, even if the Veteran’s combined disability rating is currently less than 30 percent, ***unless*** there is no reasonable possibility that a favorable decision on the Veteran’s claim will result in the assignment of a combined disability rating of at least 30 percent.

Essentially, ***if*** a claim for dependents is received with a claim for service connected compensation ***and*** there is missing/incomplete information, the VSRs must develop to the Veteran for the information at the same time they develop for the service connected conditions.

When additional information is needed, the VSR must telephone the claimant for the purpose of obtaining the missing information. However, if the claimant cannot be reached, create a letter in VMBS that requests the missing information/evidence that VA requires in order to recognize an individual as a Veteran’s dependent.

***Those who Cannot be Considered Dependents:***

* Foster children of Veteran
* Grandchildren of Veteran
* Ex-spouses of Veteran
* Parents of Veteran who cannot establish financial dependency

***Accepting Entries a Claimant Makes on VA Form 21-686c as Proof of an Event***

VA will accept the entries a claimant or beneficiary makes on [VA Form 21-686c](http://www.vba.va.gov/pubs/forms/VBA-21-686c-ARE.pdf) as sufficient proof of

* marriage
* dissolution of a marriage
* birth of a child
* introduction of a stepchild into a Veteran’s family, or
* death of a dependent

There will be times when the information of record conflicts or contains questionable or discrepant information that cannot be resolved through review of other evidence of record. In addition, it is possible there may be a reasonable indication of fraud or misrepresentation. In such instances, the VSR must develop.

Telephone development is quickest way to resolve issues regarding conflicting information. If the conflicting information cannot be clarified via telephone, or if the Veteran cannot be reached, a development letter in VBMS should be generated with a 30-day suspense to obtain clarification.

***Establishing the Spouse of a Veteran (Dependency assumed)***

It is possible for Department of Veterans Affairs (VA) benefits to be paid or increased if a marriage is established for VA purposes.

A marriage may be established for VA purposes if the marriage is valid under the law of the locality where the parties resided

* + at the time of marriage, or
  + when the claimant filed a valid claim (or became eligible for benefits, if eligibility arose after the date of claim).

**References:**

* For a current list of States that recognize same-sex marriages and the dates on which they began recognizing such marriages, click on the following hyperlink: <http://www.va.gov/opa/marriage/>
* For more information on administration of same-sex spousal benefits, see [*VBA Letter 20-15-16, Administration of Same-Sex Spousal Benefits.*](http://vbaw.vba.va.gov/usb/letters/2014/vba-letter-20-14-08.docx)

There are different types of marriages that VA may recognize, including:

* *Traditional marriage* – performed by a clergyman or authorized public official
* *Common-law marriage* – entered into by agreement of the parties, not requiring a formal ceremony (only in certain jurisdictions). See [M21-1 Part III, Subpart iii, 5.C](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015795%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-C-Establishing-Common-Law-Marriages) for additional information on common-law marriage.
* *Tribal marriage* – a marriage purported to have been celebrated under tribal custom. Development for facts and circumstances surrounding the marriage is needed. See [M21-1, Part III, Subpart iii, 5.D.1.a](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015800%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-D-Establishing-Other-Types-of-Marriages) for steps to follow for development.
* *Proxy marriage* – a marriage contracted or celebrated by one or more agents on behalf of the actual parties to the marriage. Validity is based on the law of the particular jurisdiction. See [M21-1, Part III, Subpart iii, 5.D.1.b-c](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015800%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-D-Establishing-Other-Types-of-Marriages) for additional information.

In order to establish a spouse, for VA purposes, the Veteran must complete all questions on VA Form 21-686c, Declaration of Status of Dependents. Information requested includes:

* Name of current spouse
* Current spouse’s Social Security number
* Current spouse’s date of birth (month, day, and year required)
* Date of current marriage (month and year at minimum)
* Place of current marriage (city/county and state or city and country (if outside the U.S.))
* Complete marital histories for both the Veteran and spouse
  + Full name of former spouse
  + Type of dissolution of marriage (divorce, death, annulment)
  + Date of dissolution of marriage (month and year at minimum)
  + Place of dissolution of marriage (city/county and state or city and country (if outside the U.S.))
* Veteran’s signature
* Any other information or additional forms based on the marriage type

\* Completion of blocks 6 and 8 on VA Form 21-686c, “How many times have you been married? (Including current marriage),” and “How many times has the Veteran’s current spouse or surviving spouse been married? (Including current marriage),” is optional; however, if a beneficiary or claimant enters a number in block 6 or 8 that does not match the number of marriages listed on the form, contact the claimant for verification.

***Establishing the Child(ren) of a Veteran (Dependency assumed)***

A child for VA purposes is an unmarried biological child, a child legally adopted before the age of 18, or a stepchild who acquired that status prior to age 18 and is a member of the Veteran’s household; and,

* Who is under age 18, or
* Who, before reaching age 18, became permanently incapable of self-support, or
* Who, after reaching age 18 and until completion of education or training (but not after age 23) is enrolled in a VA approved institution. This group also includes the following unmarried persons:
  + those adopted by the Veteran between ages 18 and 23, or
  + those who became a stepchild of the Veteran between ages 18 and 23, and is a member of the Veteran’s household

In order to establish a child, for VA purposes, the Veteran needs to complete all questions on VA Form 21-686c, Declaration of Status of Dependents. Information requested includes:

* Child’s full name
* Child’s full date of birth (month, day, and year required)
* Child’s place of birth (city/county and state, or city and country (if outside the U.S.))
* Child’s Social Security number
* Child’s relationship to the Veteran (biological, adopted, stepchild, etc.)
* Veteran’s signature
* Any additional information/evidence required based on the type of child

If the Veteran only provides the city of the child’s birth, and it is a well-known city (such as Los Angeles, or Las Vegas), that is acceptable for VA purposes. It is not necessary to develop for the state/country in such instances.

**Biological Child**

For the purposes of establishing a biological child on a Veteran’s award, the above information is sufficient as long as it is submitted on the correct form (After March 24, 2015). Prior to March 24, 2015, as long as the above information is provided, it does not need to be on the prescribed form.

The Veteran’s statement is (completion of VA Form 21-686c) is sufficient at face value. Additional proof is not needed, unless contradictory evidence is of record.

**Adopted Child**

In addition to the information above, the Veteran must also submit a copy of the decree of adoption or an adoptive placement agreement. VA may also accept a copy of the revised birth certificate showing the Veteran as the child's parent; however, if that is the only document received, VA cannot establish the adopted child any earlier than the date of receipt of the revised birth certificate. Therefore, the VSR should develop for the aforementioned documents, informing the Veteran that earlier entitlement to benefits may be possible.

For adopted children, oral or written certification of the child’s adoption alone is ***not*** sufficient to establish the child’s relationship to his or her adoptive parents (Veteran, etc.).

**Stepchild**

In addition to the information above, the stepchild must be the legitimate or illegitimate child of the Veteran’s current spouse. The stepchild must also be a member of the Veteran’s household or in the Veteran’s constructive custody.

* *Member of the Veteran’s Household*

Physical member of the household, or

Living apart due to medical reasons, to attend school, or to fulfill a military service obligation

* *Constructive Custody*

VA considers a stepchild a member of a Veteran’s household if the stepchild is in the Veteran’s “constructive custody.”  A stepchild is in a Veteran’s constructive custody if the child is:

* + separated from the Veteran for the reasons stated in the prior paragraph, or
  + receiving at least half of his or her support from the Veteran

The awarding of legal custody to someone other than the Veteran does ***not*** affect the stepchild’s status as a child of the Veteran as long as the child is actually a member of the Veteran’s household.

Add a stepchild to a Veteran’s award even if the stepchild’s biological parent has not yet been added to the Veteran’s award. It is only the establishment of the marital relationship between the biological parent and the Veteran – not the adding of the parent to the Veteran’s award that is required to add the stepchild to the Veteran’s award.

**Child Incapable of Self-Support (Helpless Child)**

A child incapable of self-support is a child of the Veteran that became that way prior to age 18. A rating decision is always required to establish a child incapable of self-support as this is a medical determination. These claims are worked under EP 020, *not* EP 130.

The child remains on the Veteran’s award indefinitely unless it is determined that he or she is no longer helpless, or the child gets married. ***Remove the child incapable of self-support from the Veteran’s award from the first of the month in which the marriage took place.******Do not omnibus to the first of the month following the date of marriage.***

*The effective date (event date in VBMS-A) would be the date of marriage. The payment start date (award effective date in VBMS-A) would be the first of that same month.*

Example: The child incapable of self-support gets married on June 15, 2016. The payment start date of the removal/reduction would be June 1, 2016.

**School Child**

In addition to the information discussed above, specific claim should be submitted on VA Form 21-674, Request for Approval of School Attendance.

\*\*School children will be discussed in greater detail in a separate lesson.

***Establishing Parents of a Veteran (Actual dependency must be shown)\****

In order to establish a parent as a dependent of a Veteran, actual dependency must be shown. This is based on income vs. expenses for the parent or parents.

The following information is needed for a claim for parental dependency:

* VA Form 21P-509, Statement of Dependency of Parent(s)
* Evidence to establish the actual relationship that exists

The parent’s income must not exceed:

* $400.00 for a mother or father living alone, or
* $660.00 for a
  + Mother and father, or
  + Remarried parent and spouse living together

\*Basic requirements are provided for development purposes. The actual grant/denial of parental dependency requires an administrative decision.

***Removing Dependents***

When there is a request to remove a dependent from the award, the beneficiary must provide (at a minimum):

* Name of the dependent being removed
* Date (month, day and year) of the event (such as a divorce from a spouse, date a stepchild left the Veteran’s household, date a school child terminated school, etc.)

The VA ***does not*** require beneficiaries to use a specific form to report a change in dependent’s status that will result in removal of the dependent from the beneficiary’s award. The beneficiary may report such changes

* In writing
* By telephone, email, or fax, or
* Through eBenefits

Topic 2: Development – Prescribed Forms & Incomplete Claims for Dependency

***Prescribed Forms***

[*M21-1, Part III, Subpart iii, 5.A.4.a*](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015798%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-A-General-Information-on-Relationship-and-Dependency)*, Forms Claimants Must Use to Initiate the Process of Adding a Dependent to Their Award (see also* [*M21-1, Part III, Subpart ii, 2.B.1.b*](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000014119%2FM21-1-Part-III-Subpart-ii-Chapter-2-Section-B-Claims-for-Disability-Compensation-andor-Pension-and-Claims-for-Survivors-Benefits)*)*

Effective March 24, 2015, a claimant must submit one of the following forms to initiate the process of adding a dependent to his or her award:

* VA Form 21-526, *Veterans Application for Compensation and/or Pension*
* VA Form 21-686c, *Declaration of Status of Dependents*
* VA Form 21-674, *Request for Approval of School Attendance* (school children over age 18)
* 21P-509, *Statement of Dependency of Parents*
* VA Form 21-4170, *Statement of Marital History* (adding a spouse based on common-law marriage)
* VA Form 21-0538, *Status of Dependency Questionnaire* (if submitted as part of the verification process – this form can be used to initiate the process, but additional information will most likely be needed)
* VA Form 21-526b, *Veterans Supplemental Claim for Compensation* (if claiming a child incapable of self-support)

VA authorizes RO and call center employees (*not* PMC employees) to:

* Complete the VA Form 21-686c and VA Form 21-674, using information they obtain from a claimant over the telephone, and
* Sign the form on the claimant’s behalf

\*Remember, removal of dependents does not require a prescribed form.

***Claims Submitted on Other Forms***

If a claimant submits a request to add a dependent to his or her award on a non-prescribed form, first attempt to contact the claimant by telephone for the purpose of completing a VA Form 21-686c, or VA Form 21-674, on the claimant’s behalf. ([M21-1, Part III, Subpart iii, 5.A.4.g](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015798%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-A-General-Information-on-Relationship-and-Dependency) – does not apply to PMC employees)

If attempts are unsuccessful, send the claimant a letter utilizing the Letter Creator tool *(IPC/Request for Application for Dependency)*, which contains the verbiage found in [M21-1, Part III, Subpart iii, 5.A.4.d](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015798%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-A-General-Information-on-Relationship-and-Dependency).

***Handling an Incomplete Form***

The form a claimant uses to initiate the process of adding a dependent to his or her award must be “substantially complete.” The form must:

* Bear the claimant’s signature
* Provide the claimant’s name and relationship to the Veteran, if applicable, and
* Contain enough information to identify the benefit the claimant is seeking

A form may be substantially complete but fail to provide all the evidence or information VA requires to add a dependent to a claimant’s award.

Follow the steps below when a form is received and is incomplete in *any way*.

|  |  |
| --- | --- |
| **Step** | **Action** |
| 1 | Is the form substantially complete, according to the requirements described in the opening paragraph of this block?   * If yes, proceed to Step 7. * If no, proceed to the next step. |
| 2 | Print or make a copy of the form. |
| 3 | Mark in red the blocks that require completion. |
| 4 | Was an EP established based on receipt of the incomplete form?   * If yes, change the pending EP to an EP 400. * If no, establish an EP 400. |
| 5 | Attach the form to a letter that   * instructs the claimant to complete those portions of the form that are marked in red, and informs the claimant that VA will not pay benefits based upon submission of the form unless he/she returns the completed form within one year. |
| 6 | Clear the EP 400 and take no further action until the claimant returns the completed form.  Proceed to Step 7 only upon receipt of the substantially completed form. |
| 7 | Establish EP control based on the benefit claimed, unless the appropriate EP is already pending. |
| 8 | Attempt to obtain any missing evidence/information from the claimant by telephone.  If the claimant cannot be reached by telephone, request the evidence/information by letter.  **Notes**:   * When telephone contact is made with a claimant, document the conversation on VA Form 27-0820, Report of General Information and associate with the claims folder. * Document any unsuccessful attempts to contact a claimant by telephone as a permanent note in the applicable claims-processing system.   **Reference**:  For more information about leaving a note in   * MAP-D, see the [MAP-D User’s Guide](http://vbaw.vba.va.gov/VetsNet/Claims_Docs/webhelp/Claim_Development1.htm), or * VBMS, see the [VBMS User Guide](http://vbaw.vba.va.gov/VBMS/Resources_Technical_Information.asp). |
| 9 | * Allow the claimant 30 days to provide the missing evidence/information. * Proceed to the next step upon receipt of the missing evidence/information or upon expiration of the 30-day response period, whichever occurs first. |
| 10 | * Grant or deny entitlement to benefits based on the evidence of record. * Notify the claimant of the decision according to the instructions in [M21-1, Part III, Subpart v, 2.B](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/#!agent/portal/554400000001034/article/554400000014231/M21-1, Part III, Subpart v, Chapter 2, Section B - Decision Notices).   **Important**:   * If eligibility for benefits for a dependent is contingent on the outcome of a pending rating decision, notify the claimant of his/her entitlement (or non-entitlement) to benefits for the dependent at the same time the claimant is notified of the outcome of the rating decision. * If a claimant is eligible for additional benefits for a dependent but VA denies entitlement because the claimant failed to provide the evidence/information VA requested, * list in the decision notice the evidence VA considered, and * inform the claimant that unless VA receives the evidence/information required to add the dependent within one year of the decision notice, VA cannot pay benefits for the dependent based on the present claim. |

Topic 3: Dependency Effective Dates & Payment Dates

***Establishing Dependents: Effective Date & Payment Date***

* Effective dates for adding dependents is the LATEST of the following:
* *Date dependency arose* if the claim is received within one year of event (marriage, birth, adoption, etc.)
* *Date of qualifying evaluation* if a Veteran responds to a request for evidence/information required to add a dependent to his/her award within one year of the **notification** of the qualifying evaluation; or if the information is already of record
* *Date of Claim* if a Veteran waits more than one year to respond to a request for evidence/information about his/her dependent(s), award entitlement to additional compensation for the dependent(s) no earlier than the date VA receives the response, *unless*:
  + VA has notified the Veteran of a subsequent rating evaluation within the past year
  + The Veteran meets the requirements to establish dependents from the date dependency arose
* *Date of commencement of the Veteran’s award* (when Veteran is rated 30% or more disabled), *if* received within one year of the notification of the grant
* The payment date (the date the Veteran actually starts receiving money) for adding dependents is *the* *first of the month following the effective date*.

***Removing Dependents: Effective Date & Payment Date***

* End-of-Month Rule ([M21-1 III.iii.5.L.4.b](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000032212%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-L-Adjusting-Awards-for-Dependents))states that the effective date of reduction or discontinuance of an award is the last day of the month in which the event occurs ***if*** the reduction or discontinuance is due to the loss of a:
  + spouse because of divorce, annulment, or death
  + child because of marriage, adoption, death, or discontinuance of school attendance

**Notes:**

* The requirement to remove a child that was given up for adoption form an award of disability compensation went into effect on *September 14, 2015*. Removal of an adopted child from an award of disability compensation *prior* to this date would be improper. For additional information regarding children adopted out of the Veteran’s family, see [M21-1, Part III, Subpart iii, 5.G.5](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015802%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-G-Establishing-a-Biological-Child-Adopted-Child-or-Stepchild-as-a-Veterans-Child-for-Department-of-Veterans-Affairs-VA-Purposes).
* The last day of the month in which the event took place that resulted in the loss of a dependent represents the ***last*** date benefits are payable to or for the dependent. For award-processing purposes, the first day of the following month represents the first date of non-payment or reduced payment.
* If a beneficiary loses a dependent for any reason other than those cited above, remove the dependent on the date of the event that caused dependency to cease. Examples of such reasons may include (but not limited to):
* the date a minor child turns 18
* the date a school child turns 23
* the date a school child begins receiving DEA benefits
* the first full day that a stepchild is no longer a member of the Veteran’s household (day after the stepchild leaves the Veteran’s household)

***Sharp v. Shinseki***

Entitlement to additional benefits for dependents can be based on more than one qualifying evaluation.

***Each time*** a Veteran is awarded a combined disability evaluation of at least 30 percent,

* include in the decision notice the appropriate paragraphs that inform the Veteran of the dependents for whom he or she is receiving additional benefits, and
* notify the Veteran of potential eligibility for additional benefits for dependents in the decision notice (by providing the appropriate hyperlink to the forms the Veteran must submit to apply) ***unless***
  + the decision notice already includes a request for evidence or information required to add a dependent, or
  + a dependent or dependents were added to the Veteran’s award concurrent with promulgation of the rating decision that triggered the decision notice.

***Important:***This policy applies even if the rating activity previously determined the Veteran was at least 30 percent disabled and is now:

* Increasing the evaluation of an existing disability or establishing service connection for a new disability (regardless of whether or not the combined evaluation changes)
* Granting entitlement to a total disability rating based on Individual Unemployability
* Granted entitlement to special monthly compensation, and/or
* Establishing an earlier effective date for a combined disability evaluation of 30 percent or greater

**NOTE**: If, during routine review of a claims folder, it is discovered that a rating decision completed on or after October 15, 2009, entitles a Veteran to additional compensation for (a) dependent(s) from an earlier effective date based on *Sharp v. Shinseki,* take action to correct the Veteran’s award.

**Exception:** The policy stemming from *Sharp v. Shinseki* does not apply to:

* Pension awards, and
* Subsequent rating decisions that only
* Confirm and continue current disability evaluations, or
* Deny service connection

Practical Exercise

Directions: Answer the following questions.

1. How often does VA have to notify the Veteran of potential entitlement to additional benefits for dependents?
2. What are the exceptions to the policy stemming from Sharp v. Shinseki?
3. When a Veteran provides requested evidence or information about his or her dependents within one year of that request, what are the two potential effective dates, if benefits are to be granted?
4. When establishing dependents, when will the payment begin?
5. When a minor child turns 18, when is that child removed from the Veteran’s award?
6. Who cannot be considered a dependent for VA purposes?
7. True or false? VA does not recognize same-sex marriage.
8. Which type of marriage does not require a formal ceremony or registration of marriage?
9. True or false? In order to establish a Veteran’s spouse on his or her award, we need to have the spouse’s place of birth.
10. What additional document or documents must a Veteran provide if he or she is claiming an adopted child?
11. Which additional form must a Veteran submit when claiming a school age child?
12. In order to establish a stepchild onto a Veteran’s award, that child must be a member of his or her household, or be in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_ custody of the Veteran.
13. Development is needed when

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or

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1. Which form can be used, as part of the verification process, to initiate dependency claim, even though additional information will most likely be needed?
2. True or false? PMC employees may not complete and sign VA Form 21-686c or VA Form 21-674 on a claimant’s behalf.