

**DEPENDENCY – SCHOOL CHILD
TRAINEE HANDOUT**

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OBJECTIVES

- Identify the definition of a school age child, and the correct forms needed to establish dependency
- Understand how VA notifies Veterans and surviving spouses of potential benefits for dependents approaching age 18
- Identify the criterion for an institution or course of instruction and schools that meet VA requirements
- Identify the need to adjust awards based on changes in school attendance
- Describe the effective and payment date adjustment for a school child
- Understand how to effectively evaluate and process awards based on reported change in school, program or attendance
- Identify when a school age child is in receipt of chapter 35 or Fry Scholarship

REFERENCES

- [38 CFR 3.31](#), Commencement of the period of payment
- [38 CFR 3.667](#), School Attendance
- [M21-1, Part III, Subpart iii.5.A](#), General Information on Relationship and Dependency
- [M21-1, Part III, Subpart iii.6.A](#), Notification of Potential Entitlement and School Attendance Policies
- [M21-1, Part III, Subpart iii.6.B](#), Awards and Adjustments Based Upon School Attendance
- [M21-1 Part III, Subpart iii.6.C](#), Department of Veterans Affairs (VA) Education Benefits Under 38 U.S.C Chapter 35

TOPIC 1: ESTABLISHING DEPENDENCY

Additional Compensation, Pension, or Dependency and Indemnity Compensation (DIC) may be paid to or for a child between the ages of 18 and 23, who has continuous school attendance at an approved school.

Note: Compensation Only: Veterans must have a combined overall service connected disability rating of at least 30% to qualify for additional benefits for their dependents.

Acceptable Methods of Establishing Relationships or Dependency

Dependency Claims Received Prior to March 24, 2015

DOES NOT require an official form, only a statement from a claimant or beneficiary is needed in order to establish relationship or dependency. It may be received by:

- Telephone, or
- E-mail, fax, or other writing

Note: These claims may require development to the Veteran for additional information.

Dependency Claims Received On or After March 24, 2015

A claimant **must** submit VA Form 21-686c, *Declaration of Status of Dependents*, VA Form 21-526, *Veterans Application for Compensation and/or Pension*, VA Form 21-0538, *Status of Dependents Questionnaire* or VA Form 21-674, *Declaration of Status of Dependents* to initiate the process of adding a dependent to his/her award as a school age child.

- If Veteran submits VA Forms 21-686c, 21-526 or 21-0538 and a school age child is identified we must develop for the VA Form 21-674 utilizing VBMS.

Note: Any request not received on a prescribed form will be treated as a request for application.

If the Veteran submits one of the prescribed forms and the information provided is incomplete:

- Make or print a copy of the original form
- Mark all incomplete blocks in red
- Return the form to the Veteran using the “Form not Complete” letter in Letter Creator
- Cancel the End Product (EP)

*See M21-1 Part III, Subpart iii, 5.A General Information on Relationship and Dependency for detailed instructions

TOPIC 2: AUTOMATIC ELIGIBILITY NOTIFICATION

VA notifies Veterans in their original award letter if they are eligible for additional compensation based on dependency. VA also sends reminders to Veterans with children nearing age 18 of the requirements to keep them on the award.

- Compensation/Pension – A system generated letter with an enclosed VA Form 21-674 is sent to the Veteran 60 days prior to the child's 18th birthday.
 - **Note:** Dependents' Educational Assistance (DEA) is not addressed in this lesson plan. This portion is for information only.
- Dependents' Educational Assistance (DEA) eligibility notification is sent:
 - 60 days prior to the child's 13th birthday;
 - at the end of the month that the child turns 16
 - and/or 60 days prior to the child's 18th birthday

Explain that DEA is awarded for Dependency and Indemnity Compensation (DIC), 100% Permanent and Total (P&T), and Individual Unemployability P&T.

Note: A child can't be in receipt of DEA and on a Veteran's or a surviving spouse's award as a school child.

- If the VA Form 21-674 is signed prior to the child's 18th birthday or prior to the commencement of the school term, special processing is required. Refer to M21-1 III.iii.6.B for the appropriate steps to follow when this occurs.

TOPIC 3: APPROVED COURSES OF INSTRUCTION AND SCHOOLS

Not all colleges or programs meet the requirements for VA to pay additional compensation for a school age child. To meet VA standards the course of study should:

- Require attendance of not less than the equivalent of three regular class sessions, daytime or evening, per week, and
- Lead to the attainment of the training or educational objectives in a period of time commonly accepted by standard institutions as adequate for that purpose.

Important: Authority to approve an award based on school attendance includes authority for approving the course of instruction.

Note: A home school program may be considered an approved course of instruction if the program can be considered an educational institution and is approved.

References: For more information on the approval of home school programs, see M21-1 Part III, Subpart iii, 6.A

In domestic cases, the instruction or training must be offered by an institution recognized as standard and accredited by:

- The authority established within the state for determining educational standards
- Some institution or state authority recognized by VA to be equally as competent to determine such standards as the state authority, or
- The Veterans Service Center (VSC) of the regional office (RO) of jurisdiction over the area within which the institution is located.

APPROVAL OF DOMESTICE CASES

Upon receipt of VA Form 21-674, make a determination as to whether or not the course of instruction meets the criteria of an approved course of instruction. If necessary, make an inquiry by using the Web-Enabled Approval Management System (WEAMS) to determine eligibility.

Reference: For more information on determining whether a course of instruction is approved, use:

- M21-1 Part III, Subpart iii, 6.A
- <http://inquiry.vba.va.gov/weamspub/buildSearchInstitutionCriteria.do>
- WEAMS and WEAMS Application User Guide.

FEDERALLY SUPPORTED SCHOOL

Compensation, pension, or DIC may *not be paid* for the school attendance of a child pursuing a course in a federally supported school when the child is wholly supported at the expense of the Federal government.

Note: Federally-supported schools include:

- The service academies
- The U.S. Merchant Marine Academy, and
- Native American schools wholly supported by the Federal government, where no charge is made for tuition or maintenance

Note: Wholly supported means that the student is furnished, at the expense of the government, with:

- Tuition
- Housing
- Meals
- Suitable clothing
- Medical attention
- Books
- Supplies, and
- Other necessities

ADDITIONAL EXCEPTION – FRY SCHOLARSHIP

Compensation Service Bulletin June 2015 rescinded a previous decision that precluded VA from paying additional compensation benefits for any child to whom Chapter 33, (Post 9/11 GI Bill), benefits had been transferred. The manual was updated and now reflects that VA may now concurrently pay education benefits under 38 U.S.C. Chapter 33 and disability or survivors benefits to or for a child unless the child is receiving education benefits under the 38 U.S.C. 3311, Marine Gunner Sergeant John David Fry Scholarship.

Note: The Marine Gunnery Sergeant John David Fry Scholarship provides Post-9/11 GI Bill benefits to the children and surviving spouses of Servicemembers who died in the line of duty while on active duty after September 10, 2001. Eligible beneficiaries attending school may receive up to 36 months of benefits at the 100% level.

TOPIC 4: PERIODS OF ENROLLMENT AND ENTITLEMENT

- **Turning Age 18 During School Term** - If a child reaches the age of 18 during a school term, a VA Form 21-674, with appropriately completed information, is required to document school attendance for the period beginning on or before the 18th birthday. This establishes entitlement from the child's 18th birthday.
- **Continuity of School Attendance During Breaks** - Continuity of school attendance is *not* broken by holidays, vacation periods, or periods between terms, semesters, or quarters when attendance is not normally required.
- **Turning Age 18 During Holiday or Vacation Periods** - Do not develop for continuity of attendance if a child turns age 18 during a holiday or vacation period, and VA Form 21-674 is received with information provided for a course that commences at the end of the holiday or vacation period. Such information may include confirmation of prior attendance:
 - At the same or another school, and/or
 - In the same or a different course, and/or
 - That the course terminated immediately prior to the holiday or vacation period.
- **Continuing Entitlement During Summer Term** - Entitlement continues during a summer term for a child who is not enrolled for the summer term, provided that the course is not extended beyond a period of time commonly accepted as standard, even if:
 - The selected school operates on a trimester basis, and
 - Enrollment is deferred for the summer trimester with entrance in the next regular school term

TOPIC 5: PAYMENT DATES OF AWARDS

- **Payment Dates Under 38 CFR 3.31** - Payment of monetary benefits based on an original, reopened, or increased award of compensation, pension, or Dependents and Indemnity Compensation (DIC) may *not* be made for any period before the **first day of the calendar month** following the month in which the award would otherwise be effective under 38 CFR 3.31.
- **Payment Date for a Child Not in School at Age 18** - Award benefits effective the first day of the month following the month in which school attendance commences if the child was not attending school on his/her 18th birthday, but a claim is filed within one year from the date of the 18th birthday.

Note: This does *not* include cases where the child reaches age 18 during a holiday or vacation period, or schooling is to begin at a future date

- **Prospective Ending Dates** - The first day of the month following the month in which it is expected the course will be completed, or the child's 23rd birthday, whichever occurs first.

TOPIC 6: MISCELLANEOUS AWARD ACTIONS BASED ON SCHOOL ATTENDANCE

- **Unscheduled Termination of School Attendance** -
 - If termination of schooling occurs during the regular school year:
 - Terminate or reduce the award effective the first day of the month following the month in which school attendance terminated. See 38 CFR 3.667(c).
 - If termination of schooling occurs during a regularly scheduled vacation period:
 - Terminate or reduce the award effective the date of last payment, or the first day of the month school was scheduled to resume, whichever is earlier. See 38 CFR 3.667(b).
- **Confirming Entitlement for Benefits After a Course Change** - If notice is received indicating that the child has changed courses but remains at the same approved education institution, a VA Form 21-674 is **not** required.

Note: The scheduled discontinuance date for the child may need to be adjusted.

- **Handling Payments after Notice of a School Change** - Do not interrupt payments being made for approved school attendance solely because a notice of transfer to another school is received. Continue payments pending the receipt of a VA Form 21-674 for the change in school.

Reference: For more information on establishing entitlement after a school change, see M21-1 Part III, Subpart iii, 6.B.

- **Possible Concurrent Payment of Compensation, Pension, or DIC** - Benefits are payable for compensation, pension, or DIC concurrently with benefits under 38 U.S.C. Chapter 35 if the child is:
 - Under age 18, or
 - Over age 18, but is entitled to receive benefits based on his or her permanent incapacity for self-support.

Note: Do not adjust because of 38 U.S.C. Chapter 35 eligibility for any period prior to the child's 18th birthday or while the child was permanently incapacitated.

- **Bar to Concurrent Receipt** - A child over the age of 18, who is not entitled to benefits based on permanent incapacity for self-support, may not receive death compensation, pension, or DIC concurrently with benefits under 38 U.S.C. Chapter 35.

Note: Changes should be reported on VA Form 21-674b, *School Attendance Report*; however, VA does not require beneficiaries to use a specific form to report a change in a dependent's status that will result in removal of the dependent from the beneficiary's award. A beneficiary may report such changes in writing, by telephone, e-mail or fax, or through eBenefits.

AWARD ACTION FOR SCHOOL ATTENDANCE AT A FUTURE DATE

We discussed earlier that VA sends the Veteran a VA 21-674 approximately 60 days prior to the child's 18th birthday. This can result in the Veteran returning the 21-674 prior to the 18th birthday.

Veterans may submit a 21-674 reporting college attendance immediately following graduation from high school to avoid an interruption of benefits. If the VA Form 21-674 is signed prior to the child's 18th birthday or prior to the commencement of the school term special processing is required.

Important:

- Award action **may not** be taken prior to three months before the child's 18th birthday
- A VA Form 21-674b must be sent with the decision notice, the beneficiary is informed:
 - To complete the form and return within 60 days after the school session begins
 - That VA will reduce or terminate benefits if the form is not received within the 60 day period

As the beneficiary has required actions in the future, VA must track the required action under End Product (EP) control:

- Establish EP 130 and EP 690 with suspense 60 days after the beneficiary indicated school would begin.

- Form is received, EP's are cleared.
- Form not received, refer to M21-1 Part III, Subpart iii, 6.B for required actions

PRACTICAL EXERCISE

1. A Veteran was awarded 60% effective December 28, 2014. Brandon was added to the award effective January 1, 2015. Brandon's date of birth is May 17, 1998.

Question: When would Brandon come off the Veteran's award?

2. We received a VA Form 21-674, in our office on June 24, 2015 for Brandon. The application is signed by the Veteran. The information provided is as follows:

Morehead State University, 150 University Blvd, Morehead, KY 40351

Biology-Pre Med

- a. Official beginning date of regular term or course – August 17, 2015
- b. Date student started or expects to start course – August 17, 2015
- c. Expected date of graduation – May 12, 2019
- d. Name and address of school attended last term
 - i. Pikeville High School, Pikeville KY- 41501
 - ii. Beginning date of last term – August 17, 2014
 - iii. Ending date of last term – May 31, 2015

Question: I. When would Brandon be added to the Veteran's award?

II. What evidence, if any, is needed to complete the Veteran's claim for Dependents? Explain.

3. Entitlement to compensation and pension based on school attendance is effective on the date of a child's 18th birthday, if the claim is timely filed. A rate increase occurs after the child's 18th birthday.

Question: Would you pay the increase and, if so, when?

4. On VA Form 21-674b, received November 17, 2015, Andrew's graduation date is June 4, 2016.

Question: What is the effective date of removal from the award? Provide the Manual reference.

5. On September 15, 2013, the regional office received a statement from the veteran and a properly completed VA Form 21-674, for his son James, for continuance in school past his 18th birthday. The RO denied his claim because there was information showing the veteran's other son is receiving Chapter 35 benefits. There is no evidence of the veteran applying for Chapter 35 benefits for James.

Question: I. In the RO denial of the claim, was this the correct action?

II. If not, explain what action the RO should have taken and provide the manual reference.