Verification of Status of Dependents

Trainee Handout

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Objectives

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

* Understand the periodic verification requirements for dependents
* Identify the forms required and processing time limits
* Process a completed VA Form 21-0538, *Status of Dependents Questionnaire*
* Process an incomplete VA Form 21-0538, *Status of Dependents Questionnaire*
* Process a work item for VA Form 21-0538, *Status of Dependents Questionnaire*, not returned

References

* [38 CFR 3.500(v) General, Effective Date of Reductions](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=cdd688d342494ff4bb7d90fd5a8c95cd&mc=true&r=SECTION&n=se38.1.3_1500)
* [38 CFR 3.652 Periodic Certification of Continued Eligibility](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=cdd688d342494ff4bb7d90fd5a8c95cd&mc=true&r=SECTION&n=se38.1.3_1652)
* [M21-1, Part I, Chapter 2,B.2 Elements of the Notice of Proposed Adverse Action](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000014072%2FM21-1-Part-I-Chapter-2-Section-B-Notice-of-Proposed-Adverse-Action)
* [M21-1, Part III, Subpart iii, 5.K Verification of Marital Status and Status of Dependents](https://vaww.compensation.pension.km.va.gov/system/templates/selfservice/va_ka/portal.html?encodedHash=%23!agent%2Fportal%2F554400000001034%2Farticle%2F554400000015797%2FM21-1-Part-III-Subpart-iii-Chapter-5-Section-K-Verification-of-Marital-Status-and-the-Status-of-Dependents)

Topic 1: Verification of the Status of Dependents

Each month, the HINES Information Technology Center (ITC) automatically releases VA Form 21-0538, *Status of Dependents Questionnaire* to approximately 1 percent of Veterans in receipt of additional compensation for a spouse and/or child(ren) and VA Form 21-0537, *Marital Status Questionnaire*, to approximately 1 percent of surviving spouses in receipt of Dependency and Indemnity Compensation (DIC).

**This topic only covers VA Form 21-0538, *Status of Dependents Questionnaire.***

Completion of VA Form 21-0538 by beneficiaries allows the Department of Veterans Affairs (VA) to verify approximately once every eight years the status of dependents of all Veterans in receipt of additional compensation for a spouse and/or child(ren).

The VA Form 21-0538 instructs beneficiaries to respond within 60 days from the date of the request for completion of the form and informs beneficiaries that failure to respond will result in the reduction or discontinuation of benefits. A 60 day diary is automatically established in the corporate record upon release of the forms.

A Veteran may satisfy the requirement to complete the VA Form 21-0538 by contacting a VA Employee by telephone and providing to the employee the same information requested on the form. The employee that takes the veteran’s call must

* record on a VA Form 27-0820, *Report of General Information* the information the Veteran provides and
* upload the VA Form 27-0820 into the Veterans electronic claims folder

The VA will recognize a VA Form 27-0820 that a VA employee prepared in lieu of the VA Form 21-0538 as equivalent.

Refer to the Job Aids within this Handout to process the VA Form 21-0538 and/or failure to return the VA Form 21-0538.

Job Aid – Processing VA Form 21-0538 – Received

1. We received the VA Form 21-0538, a 27-0820 documenting confirmation by telephone or the Veteran submitted a 21-686c within one year of the date the 21-0538 was mailed.
2. Cancel the corresponding diary.
3. Compare dependents listed on the questionnaire against those that were on the Veteran’s award as of the date VA sent the questionnaire.
4. Do the dependents listed on the questionnaire match those on the award?
5. If yes:
   1. Establish an EP 692 using the current date as date of claim
   2. Create permanent note in VBMS that indicates the questionnaire revealed nothing to warrant an adjustment in the Veteran’s benefits.
   3. Associate the note with the pending EP 692.
   4. Clear the EP 692.
6. If no:
   1. Establish EP 138.
   2. Create a permanent note in VBMS that indicates the 21-0538 is of record and requires processing.
   3. Review the claims folder to see if the discrepancy can be resolved. If the review resolves the discrepancy:
      1. Establish an EP 692 using current date as date of claim
      2. Create a permanent note in VBMS that indicates discrepancies on the questionnaire were resolved by review of the claims folder and nothing warrants and adjustment in the Veteran’s benefits was identified.
      3. Associate the note with the EP 692
      4. Clear the EP 692
   4. If the review of the claims folder does not resolve the discrepancy:
      1. Undertake development in VBMS to resolve the discrepancies.
      2. Note: Telephone development must be attempted prior to sending the Veteran a letter.

Job Aid – Processing VA Form 21-0538 – Incomplete/Unsigned

1. Veteran failed to sign the 21-0538 or did not supply all the required information.
2. Cancel the associated diary.
3. Establish EP 138 with suspense 30 days from current date.
4. Add a note under the existing EP 138, indicating that action is required because the Veteran failed to return a signed and completed VA Form 21-0538.
5. Attempt to contact the Veteran by phone:
   1. If the beneficiary failed to sign the questionnaire, confirm with the beneficiary the entries he/she made on the questionnaire.
   2. If the questionnaire is incomplete, obtain the missing information from beneficiary.
6. If the Veteran reports no change in the dependents he/she is receiving additional compensation, be sure to notify the Veteran that benefits will continue at the current rate.
   1. Document the details of the call on a VA Form 27-0820 and upload into the Veteran’s efolder.
   2. Clear the EP 138.
7. If the Veteran reports a change in the status of his/her dependents
   1. Document the details of the call on the 27-0820 and upload into the Veteran’s efolder.
   2. Process the award to remove or add dependents as necessary.
8. If the attempt at contact is unsuccessful add a permanent note to the records documenting the attempt.
   1. Use the Non-Rating > Dependency Claim Missing Information Letter in Letter Creator to return the incomplete/unsigned VA Form 21-0538 to the Veteran.
   2. Mark all missing information in red. Note: do not fill the entire block with red marker. The information will not be legible after scan if the Veteran writes or signs over red marker.
9. If the Veteran returns the form within 30 days, process accordingly.
10. If the Veteran fails to return the form, initiate due process.

Job Aid – Failure to Return VA Form 21-0538 – Due Process

1. Review of the record shows no 21-0538, no 27-0820 reporting the status of dependents and there is no 21-686c received within one year of the date of the work item.
2. Clear the work item.
3. Establish EP 138 and EP 693 Review-Writeout Affecting Payments
4. Add a note under the EP 138 indicating action is required because Veteran failed to return VA Form 21-0538.
5. Attempt to contact the Veteran by telephone and obtain the same information that the VA Form 21-0538 requires.
6. If the contact is successful document on VA Form 27-0820, treat the 27-0820 as a completed questionnaire and process.
7. If the contact is unsuccessful add a permanent note documenting the attempt.
8. Clear the pending EP 138 and establish EP 600 Review - Writeout Affecting Payment with suspense of 65 days.
9. Extend the suspense on the EP 693 so that it matches the suspense date of the EP 600.

9. Send notice of proposed adverse action to the Veteran. In the notice, inform the Veteran that:

* 1. VA intends to reduce his/her benefits
  2. The proposed reduction will be effective from the first of the month following the date the Veteran’s dependents were last verified.
  3. Could result in an overpayment.

1. If the 21-0538 or equivalent is received within the 65 days, review and process accordingly.

11. If the 21-0538 is not received within the 65 day, remove dependent(s) from the award ***effective date last paid***. This will not create a debt.

1. Clear EP 693
2. Notify the Veterans of actions taken
3. Establish a diary under code 30, Local Regional Office Special Issue, and set the suspense for 90 days from the date of notification.

Job Aid – Veteran Verifies Dependency Within 90 Days

1. Establish EP 130
2. Clear the diary code 30, Local Regional Office Special Issue, if applicable.
3. Process the dependency information provided by the Veteran. This will normally result in resoration of benefits from the date previously removed. However, process appropriately based on the information provided by the Veteran.
4. Notify the Veteran of our decision.

Job Aid – Veteran Does Not Respond Within 90 Days

1. Establish EP 130
2. Remove the dependent(s) whose status the Veteran failed to verify effective the date proposed in the due process letter.
3. Notify the Veteran of the decision.

Practical Exercise

1. What is the purpose of the VA Form 21-0538?
2. How long does the VA give the Veteran to return the VA Form 21-0538?
3. How can a Veteran satisfy the requirement to verify dependents?
4. Veteran fails to return VA Form 21-0538 that was mailed on March 17, 2016. Telephone development was attempted and was unsuccessful. A review of efolder shows we are currently paying for a spouse and had been paying for a minor child that was removed from the Veteran’s award on January 6, 2016, the child’s 18th birthday. In your proposal to reduce letter, what dependents will you address?
5. Veteran returns the VA Form 21-0538 within the time required. You have cancelled the diary and compared the reported dependents to those we currently pay for in the corporate record. Dependency is verified and no action is required. You have established an EP 692. Provide in detail the remaining steps to complete the processing of the Veterans VA Form 21-0538.