

February 6, 2017

RPO Letter 22-17-01  
Director (00/22)  
VA Regional Processing Offices  
Buffalo, Muskogee, St. Louis

**Subject:** Claims Processing Procedures for Surviving Spouses Utilizing Fry Scholarship Benefits or Receiving DEA after January 1, 2015

**Note:** This Regional Processing Office (RPO) Letter rescinds and replaces [RPO Letter 22-15-01](#).

**Background:**

- **December 16, 2016** - President Barack Obama signed into law the Veterans Health Care and Benefits Improvement Act of 2016 (Public Law 114-315) which amends the Marine Gunnery John David Fry Scholarship (Fry Scholarship) for surviving spouses. The new provision of the Fry Scholarship provides a delimiting date extension for beneficiaries utilizing the benefit of Servicemembers who died in the line of duty between September 11, 2001, and December 31, 2005. This new provision offers eligible spouses the following options to help complete their educational goals:
  - 1) Up to an additional four years of eligibility under the Fry Scholarship.
  - 2) The option to transfer from the Survivors' and Dependents' Educational Assistance program (DEA) into the Fry Scholarship.
- **August 7, 2014** - President Obama signed the Veterans Access, Choice, and Accountability Act of 2014 ("Choice Act") into law. Section 701 of the Choice Act established eligibility for surviving spouses under the Fry Scholarship provisions of the Post-9/11 GI Bill, however, because the Choice Act provisions did not go into effect until January 1, 2015, some surviving spouses may have reached their delimiting date (last day of eligibility), as early as 2016. Prior to the Choice Act, eligibility for the Fry Scholarship was previously limited to the children of active duty Servicemembers who died in the line of duty.

In general, Fry Scholarship benefits for a spouse are like those for a child except for the following:

- A spouse who is eligible for benefits under both DEA (Chapter 35) and Fry Scholarship must make an irrevocable election *in writing* as to which benefit he or she wishes to receive benefits for any and all quarters, semesters, or terms beginning on or after January 1, 2015.
  - Eligibility for DEA and the Fry Scholarship need not be based on the same event (i.e. death of a spouse in the line of duty). An election is always required.

- No Fry scholarship benefits will be paid for terms that begin prior to, or span, January 1, 2015.
- A spouse's eligibility under the Fry Scholarship expires 15 years after the date on which the Servicemember died, or the date on which the spouse remarries, whichever is earlier. In accordance with Public Law 114-315, if the date of death is prior to January 1, 2006, then benefits are extended until January 1, 2021.
- The election of DEA or Fry Scholarship does not affect eligibility for Dependency and Indemnity Compensation (DIC) benefits.

**Purpose:** This advisory provides the procedures, information, and guidance needed for Veteran Claims Examiners (VCEs) to accurately process Fry Scholarship benefits for surviving spouses, as well as DEA claims for which an election is required.

**Procedures:** VCEs will utilize the procedures below for the processing of these claims.

### **Post-9/11 GI Bill**

1. **Applications:** The VCE must determine if the claimant is applying for Fry Scholarship benefits as the surviving spouse of a Servicemember who died in the line of duty:
  - a. **Verify Election:** The VCE must verify that the surviving spouse has made an irrevocable election between DEA and the Fry Scholarship using the [VA Form 22-5490](#).
    - i. **If the claimant has not made an election**, the VCE must develop for an election using a modified DEV12 letter in the Personal Computer Generated Letters (PCGL). [Attachment 1](#) has the revised wording for the development letter and benefit comparison that replaces the current verbiage for a child. The procedures and process for development are the same as for the other irrevocable elections under the Post-9/11 GI Bill. Once an election is made proceed to Step 2.
2. **Eligibility Processing:** If the claimant has made an election, the VCE must create a Long Term Solution (LTS) record, if one does not already exist, with Fry Scholarship as the Entitlement Source. LTS functionality has not yet been updated to include rules for spousal Fry Scholarship benefits. In order to ensure accurate processing, claims processing procedures will deviate from

those for a child with respect to the following elements on the **Claimant Biography** screen:

- a. **Date of Birth:** In order to ensure that LTS will generate the proper delimiting date, the VCE will enter the following in the **Date of Birth** field:

**If the spouse has not remarried prior to January 1, 2015:**

- i. If the Servicemember died in the line of duty between September 11, 2001, and December 31, 2005 the VCE will enter **January 1, 1988**. This will generate the proper delimiting date for the spouse in LTS. **Note:** This modified **Date of Birth** is for “Fry Purposes Only”.
- ii. If the Servicemember died in the line of duty after December 31, 2005, the VCE will enter the date 18 years prior to the date of the Servicemember’s death in the line of duty, plus one day.

**Example:** The Servicemember dies on 8/15/2014. The VCE must back out 18 years from that date, and add one day, in order to establish the spouse’s correct delimiting date. The **Date of Birth** field should be changed to 08/16/1996. LTS will now display the Delimiting Date for the spouse as 8/16/2029 (15 years and 1 day from the Servicemember’s date of death in the line of duty).

- iii. The VCE will modify the LTS generated Certificate of Eligibility as needed. [Attachment 2](#) contains the revised wording that replaces the current verbiage for a child. Then proceed to Step 2b below.

**If the spouse has remarried prior to January 1, 2015:**

- i. If the spouse indicates on the application or supporting documentation that he or she has remarried, the VCE will enter the date 33 years prior to the date of remarriage, plus one day. This will allow the VCE to disallow the claim due to the spouse being beyond his or her delimiting date.

**Example:** The surviving spouse remarried on 8/15/2014. The VCE must back out 33 years from that date, and add one day, in order to establish the spouse's correct delimiting date. The **Date of Birth** field should be changed to 08/16/1981. LTS will now display the **Delimiting Date** for the spouse as 8/16/2014 (the day after remarriage), which is prior to the date for which VA can pay benefits.

- ii. The VCE will modify the LTS generated letter to state the spouse's eligibility ended due to remarriage. See [Attachment 3](#) for the revised wording. Then proceed to Step 2b below.
  - b. **Review record for previous DEA awards:** In the event that DEA benefits have been awarded for one or more terms beginning after December 31, 2014, and the spouse elects Fry Scholarship benefits, the VCE will need to terminate those enrollments under DEA, transfer the debt to the Chapter 33 Benefits Delivery Network (BDN) record, and offset the amount previously paid from the LTS award.
  - c. **Stop Automation:** The VCE will place a check in the Stop Automation checkbox and enter "701" in the **Note** box. This is done because LTS does not contain the required rules in order to prevent payment of terms beginning prior to January 1, 2015.
3. **Enrollment/Reenrollment Processing:** On the **Enrollment** screen:
  - a. The VCE must review the LTS **Comments**, Stop Automation **Note** box, and the claimant's The Image Management System (TIMS) folder for relevant information, such as remarriage. VCEs should be careful when processing because LTS does not have rules tailored for spousal Fry Scholarship benefits and will allow for the issuance of improper payments.
  - b. The VCE will not enter any quarter, semester, or term with a **Begin Date** prior to January 1, 2015. If prepopulated from the VA-ONCE Inbox, the VCE will delete such terms.
  - c. If information is received at the time of initial processing that the spouse has remarried:
    - i. The VCE must not enter, or delete, any quarter, semester, or term with a **Begin Date** on, or after, the date of remarriage.

- ii. If the date of remarriage falls within a quarter, semester, or term, the VCE will terminate the enrollment with:
  - **Reason** = WD After Drop Pun
  - **Effective Date** = The date of remarriage

The termination must be done in the same LTS Work Product to ensure that benefits are only paid for the portion of term during which the spouse is eligible.

- iii. The VCE will enter “701 - Spouse Remarried on mm/dd/yyyy” in the LTS **Comments** box, and place a **FLASH** in the TIMS folder with the same information.

The LTS generated Education Award letter will generally not require modifications for the processing of enrollments that began on or after January 1, 2015. However, the VCE will need to include disallowance information for any terms certified that began prior to January 1, 2015, or were not paid because of remarriage, if applicable, as mentioned above.

- 4. **Change in Enrollment Processing:** Adjustments will generally be processed correctly by LTS. However, if the VCE receives notification that the spouse has remarried and benefits have already been paid beyond the date of remarriage, the VCE will do the following:
  - a. If a term spans the date of remarriage, the VCE will terminate the enrollment with:
    - i. **Reason** = WD After Drop Pun
    - ii. **Effective Date** = The date of remarriage
  - b. If the term begins on or after the date of remarriage, the VCE will terminate the enrollment with:
    - i. **Reason** = WD Before term
  - c. The VCE will enter “701 - Spouse Remarried on mm/dd/yyyy, no longer eligible for Fry” in the LTS **Comments** box, and place a **FLASH** in the TIMS folder with the same information.

The LTS generated Adverse Action letter will not require modifications for normal changes in enrollment. However, the VCE will need to modify the letter if the termination is due to remarriage in order to provide accurate information.

5. **Letter Generation:** Since the letters are designed for children using Fry Scholarship benefits, every letter should be reviewed for accuracy as many will require modification. Consequently, the VCE must also check the **Suppress Letters** checkbox on the **LTS Work Product Summary Screen**.
6. **Authorization Issues:** Since the LTS doesn't generate BDN Cost Codes for spousal Fry Scholarship benefits, the VCE will select **Authorize and Pay Manually** on the **LTS Work Product Summary Screen**.
7. **Issuing Payments:** The VCE will follow the standard procedures for creating diaries in BDN. All claims will be diaried for payment based on the **Maturation** date(s) displayed in the **Net Awards** section of the **LTS Payment Instructions** screen. Benefit payments will be issued using BDN Fiscal Transaction (FIST) and Fiscal Authorization (FAUT) commands using the Spousal Fry Scholarship Transaction Codes ([Attachment 4](#)).

Additional diaries must be established for any future terms, as well as within-term changes in the Monthly Housing Allowance (MHA).

### **Survivors' and Dependents' Educational Assistance**

1. **Applications:** The VCE must determine if the claimant is applying for DEA benefits as the surviving spouse of a Servicemember who died in the line of duty:
  - a. **Verify Election:** The VCE must verify that the surviving spouse has made an irrevocable election between DEA and the Fry Scholarship.
    - i. **If the claimant has not made an election,** the VCE must develop for an election using a modified DEV12 PCGL letter. [Attachment 1](#) has the revised wording for the development letter and benefit comparison that replaces the current verbiage for a child.
    - ii. **If the Servicemember's date of death is prior to 1/1/2006,** the VCE must review the TIMS record for an election that was made after February 15, 2017.

- **If the election was made before February 15, 2017**, the VCE must develop for an election using a modified DEV12 PCGL letter. [Attachment 1](#) has the revised wording for the development letter and benefit comparison that replaces the current verbiage for a child.
  - **If the election was made on or after February 15, 2017**, process the enrollment as normal.
- b. **Enrollment/Reenrollment Processing:** For all enrollment certifications received for terms beginning after December 31, 2014, VCEs must review the DEA record to see if the applicant is the surviving spouse of a Servicemember who died in the line of duty, if so:

- i. **Verify Election:** The VCE must verify that the surviving spouse has made an irrevocable election between DEA and the Fry Scholarship.

**Note:** If the Servicemembers' date of death is prior to 1/1/2006 a new election may be needed. See Step 1(b)(ii) below for more instructions. Otherwise, if the date of death is after 1/1/2006 and an election has been made for DEA, then the VCE should process the claim as usual.

- ii. **If the claimant has not made an election**, the VCE must develop for an election using a modified DEV12 PCGL letter. [Attachment 1](#) has the revised wording for the development letter and benefit comparison that replaces the current verbiage for a child. Once an election has been made process the claim as usual.
- iii. **If the Servicemembers' date of death is prior to 1/1/2006**, the VCE must review the TIMS record for an election that was made after February 15, 2017.
  - **If the election was made before February 15, 2017**, the VCE must develop for an election using a modified DEV12 PCGL letter. [Attachment 1](#) has the revised wording for the development letter and benefit comparison that replaces the current verbiage for a child.
  - **If the election was made on or after February 15, 2017**, process the enrollment as normal.

**Questions:** If you have any questions, please direct them to the Education Service National Training Team via e-mail at [VAVBAWAS/CO/225A](mailto:VAVBAWAS/CO/225A).

/s/

Robert M. Worley II  
Director, Education Service

**Attachments:**

1. Election Development Letter
2. Certificate of Eligibility
3. Disallowance
4. Spousal Fry Scholarship Cost Codes



## Attachment 1- Election Development Letter

Dear Mr./Ms. **Spouse**:

We reviewed your claim for education benefits. We need additional information to process your claim. Based on your spouse's death in the line of duty, you are eligible for benefits under the Survivors' and Dependents' Educational Assistance (DEA; Chapter 35) program and the Post-9/11 GI Bill, Fry Scholarship. Public Law 113-146 legislative changes require you to choose under which benefit you would like to receive education assistance. These changes are effective for terms beginning on or after January 1, 2015, and your election is irrevocable.

### Choice of Election

If you are eligible for the Chapter 35 Survivors' and Dependents' Educational Assistance Program and Chapter 33 Post-9/11 GI Bill Marine Gunnery Sergeant John David Fry Scholarship, **you must relinquish entitlement to the benefit that you are not applying for (even if entitlement arises from separate events)**. You cannot retain eligibility for both programs simultaneously. By initialing below, you agree and understand that you are making an irrevocable election to receive the selected benefit and your election may not be changed. (**Note:** *If you previously made an election for DEA prior to March 1, 2017 due to Public Law 114-315 a new election is needed.*)

### Please enter your initials beside your choice (make only one selection).

\_\_\_\_\_ (initials), I elect to receive educational assistance under Fry, Chapter 33.  
\_\_\_\_\_ (initials), I elect to receive educational assistance under DEA, Chapter 35.

***My initials above indicate my irrevocable benefit election.***

### When We Need It

Please send us the information within 30 days. We may not consider information received more than one year after the date of this letter. We may extend this time limit if you show good cause why you couldn't meet it.

### How to Contact Us

You can contact us and tell us your choice by using the following:

- GI Bill web site: <http://benefits.va.gov/gibill/>. Click on "Submit a Question" under the FAQs section, and then click on the "Ask a Question" tab. You can then send VA a message with the necessary election information by logging in and completing the requested information.

- Complete and mail this letter to the address at the top of this letter or fax it to **RPO Fax Number.**

Sincerely yours,

**Education Officer signature**  
Education Officer

Enclosure(s): DEA / FRY Benefit Comparison  
If You Need Help  
VA Form 21-4138

## DEA & FRY Benefits Comparison

### **Survivors' and Dependents' Educational Assistance (DEA, Chapter 35)**

#### Eligibility Period:

Generally, you have 20 years after the date on which your Servicemember-spouse died or the date on which you remarry (if you remarry before the age of 58), whichever comes first. For Chapter 35, a remarriage when you are 58 years old or older does not impact your eligibility.

#### Months of Entitlement:

45 months of entitlement with the possibility of up to 5 additional free months of entitlement for refresher, remedial or deficiency type training.

#### Benefit Payments:

Fulltime monthly rate effective October 1, 2016 is \$1,024.00 per month.

### **Post-9/11 GI Bill, Fry Scholarship (Fry, Chapter 33)**

#### Eligibility Period:

Generally, you have 15 years after the date on which the Servicemember died or the date on which you remarry (regardless of your age when you remarry), whichever comes first. For Chapter 33, a remarriage when you are 58 years old or older does impact your eligibility.

As part of the Veterans Health Care and Benefits Improvement Act of 2016 (Public Law 114-315), the surviving spouse of Servicemembers who died in the line of duty between September 11, 2001 and December 31, 2005 will receive extended benefit eligibility until January 1, 2021.

#### Months of Entitlement:

36 months (Limited to maximum of 48 months combined with one or more other education benefits with the exception of Chapter 35, because you may be eligible for up to 81 months in combination with Chapter 35).

#### Benefit Payments:

- 100% of in-state Tuition and Fees charged at a public institution or up to \$21,970.46 for academic year 2016 based on Tuition and Fees charged when attending private institutions. This benefit is paid to the school.
- Up to \$1,000.00 stipend for Books and Supplies per academic school year (August 1 to July 31).
- Monthly housing allowance (MHA) based on the Basic Allowance for Housing (BAH) for an E-5 with dependents at the location of the school. For those enrolled solely in distance learning the housing allowance payable is equal to ½ the national average

BAH for an E-5 with dependents (\$805.50 for the 2016 academic year). For those attending foreign schools (schools without a main campus in the U.S.) the MHA rate is fixed at \$1,611.00 for the 2016 academic year. Active duty students and their spouses cannot receive the MHA.

- Yellow Ribbon Program is **NOT** payable under the Fry Scholarship.

**For more information and other comparison tools go to:** <http://benefits.va.gov/gibill/>.

## Attachment 2- Certificate of Eligibility

Dear Mr./Ms. **Spouse**:

### **Certificate of Eligibility**

This certifies that you are entitled to benefits for an approved program of education or training under the Fry Scholarship provision of the Post-9/11 GI Bill. You are eligible to receive these benefits for enrollments beginning on or after January 1, 2015.

**You must take this letter to your school. Your school must certify your enrollment before you can get paid.**

You have **XX** months and **XX** days of full-time benefits remaining.

Since you are a spouse of an active duty Servicemember who died in the line of duty on **Month dd, yyyy**, you are eligible to receive benefits payable under the Fry Scholarship program for an approved program of education. You will remain eligible under the Post-9/11 GI Bill until **Month dd, yyyy**.

### **What You Must Do**

You should take this letter to your school's Veterans certifying official as proof of your eligibility and ask him or her to submit your enrollment certification to VA. After your school submits your enrollment certification, your Tuition and Fees payment will be sent to the school on your behalf. All other payments will be sent directly to you.

### **Other Information**

You should promptly notify your school's Veterans certifying official and VA if there is any change in your enrollment. Generally, we can't pay you for:

- Courses you don't attend.
- Courses from which you withdraw.
- Courses you complete but receive a grade which will not count towards graduation.

**You are responsible for ALL debts resulting from reductions or terminations of your enrollment even if the payment was submitted directly to the school on your behalf.**

You may notify VA via:

- The Internet by visiting: <http://benefits.va.gov/gibill/>.
- Telephone by calling toll-free at 1-888-GI-BILL-1 (1-888-442-4551).
- Postal mail by sending correspondence to the address at the top of this letter.

**If You Have Questions or Need Assistance**

If you have questions or need assistance, contact the Department of Veterans Affairs at 1-888-GI-BILL-1 (1-888-442-4551). If you use the Telecommunications Device for the Deaf (TDD), the Federal number is 711. See the "If You Need Help" enclosure for contact information.

Sincerely yours,

**Education Officer signature**

Education Officer

Enclosure(s): If You Need Help  
VA Form 21-4138

## Attachment 3- Denial Letter

Dear Mr./Ms. **Spouse**:

We regret that we can't approve your claim for educational benefits. This letter will give you information about the Post-9/11 GI Bill and why we can't approve your claim.

### VA Education Programs

We administer three eligibility provisions of the Post-9/11 GI Bill, which individuals may qualify to receive. Each program has its own set of eligibility rules as shown below:

- Post-9/11 GI Bill - This benefit, with some exceptions, is for Veterans and Servicemembers who have served at least 90 days of active duty service after September 10, 2001 and received an honorable discharge.
- Transfer of Entitlement - This benefit is for the dependents of a Veteran or Servicemember who are approved by the Department of Defense (DoD) to transfer up to 36 months of entitlement to their spouse and/or child/children.
- Fry Scholarship - This benefit is for the children and/or spouse of a Veteran who died in the line of duty on or after September 11, 2001. A child must be under the age of 33 to be eligible for benefits. A spouse's eligibility ends if he or she remarries. Both children and spouses receive benefits at the 100% rate of the Post-9/11 GI Bill.

### Why We Denied Your Claim

We reviewed your possible entitlement for Post-9/11 GI Bill.

### Post-9/11 GI Bill

You don't qualify for the Post-9/11 GI Bill because:

- You have remarried and your eligibility for Fry Scholarship benefits ended.

We looked at the following items to make our determinations:

- Information you submitted with your application for benefits.

### If You Have Questions or Need Assistance

If you have questions or need assistance, contact the Department of Veterans Affairs at 1-888-GI-BILL-1 (1-888-442-4551). If you use the Telecommunications Device for the Deaf (TDD), the Federal number is 711. See the "If You Need Help" enclosure for contact information.

Sincerely yours,

**Education Officer signature**

Education Officer

Enclosure(s): If You Need Help  
VA Form 21-4138

#### Attachment 4- Spousal Fry Scholarship Cost Codes

In order to accurately pay benefits for spouses using Fry Scholarship benefits, VCEs must change the second (alphabetic) character of the LTS generated Cost Code with the associated numeric character shown below when issuing payments using the BDN fiscal commands.

<b><i>If the second character of the LTS generated Cost Code is...</i></b>	<b><i>Then the second character of the Cost Code entered into BDN will be...</i></b>
U	0
V	1
W	2
X	3
Y	4