Pension and fiduciary service

PMC VSR Basic Core Course
Phase 4: Foundational Enrichment

Types of Pension Claim and Claims Recognition

Trainee Guide

January 2025

PMC VSR Overview: Types of Pension Claims and Claims Recognition

Lesson Overview

| Topic | Description |
| --- | --- |
| Time Estimate: | 2 hours  |
| Purpose of the Lesson: | This lesson is part of the entry-level curriculum, Core Course for PMC VSRs. The purpose of this foundational lesson is to introduce you to the variety of claim types you will encounter as a PMC VSR. |
| Target Audience: | This lesson is for entry level PMC VSRs. |
| Lesson References: | * 38 CFR 3.3 (Pension)
* 38 CFR 3.5 (Dependency and Indemnity Compensation)
* 38 CFR 3.20 (Surviving Spouse’s Benefit for Month of Veteran’s Death)
* 38 CFR 3.22 (DIC for Survivors of Certain Veterans Rated Totally Disabled at Time of Death)
* 38 CFR 3.59 (Parent)
* 38 CFR 3.106 (Renouncement)
* 38 CFR 3.208 (Claims Based on Attained Age)
* 38 CFR 3.400 (General)
* 38 CFR 3.551 (Reduction Because of Hospitalization)
* 38 CFR 3.702 (Dependency and Indemnity Compensation)
* M21-1 VI.ii.1.A.2.b. (Elections Between Other VA Benefits)
* M21-1 XII.i.1.A (Overview of Death Compensation and Dependency and Indemnity Compensation (DIC))
* M21-1 IX.i.1 (Overview of Requirements and Development for Pension and Parents’ Dependency and Indemnity Compensation (DIC))
* M21-1 IX.i.1.2.e. (Examples: Minimum Active Duty Service Requirement for Pension)
* M21-1 X.iii.1.D (Adjusting Pension Under 38 CFR 3.551 and 3.556)
* M21-1 IX.i.2.2 (Developing for P&T Disability and Age)
* M21-1 X.iv.4 (Renouncements)
* M21-1 XI.ii.3 (Accrued and Substitution)
* M21-1 XI.ii.3.A.3. (Elections and Automatic Increases Pending on the Date of Death)
* M21-1 XI.iii.1.B (Burial Benefits)
* M21-4, Appendix B (End Product (EP) Codes)
 |
| Lesson Objectives: | By the end of this training the trainee should be able to:* Recognize the most common types of PMC claims.
* Recognize the characteristics of each claim type.
* Identify the correct forms or other correspondence of each claim type.
 |
| What You Need: | * Trainee Guide
* Access to VBA Intranet
* Access to the **Claim Types** job aid from Job Aids folder
* **Types of Pension Claims Notes Page**
 |

| PowerPoint Slides | Notes |
| --- | --- |
| Types of Pension Claims and Claim Recognition |  |
| Lesson ObjectivesBy the end of the training you should be able to:* Recognize the most common types of PMC VSR claims.
* Recognize the characteristics of each claim type.
* Identify the correct forms or other correspondence of each claim type.
 |  |
| Why This Matters!* The **Types of Pension Claims** course is important because it assists newly-hired PMC VSRs with understanding the different types of pension and entitlement requirements.
 |  |
| General Benefit Categories * **Veterans Disability Benefit**
	+ Permanent and Total (P&T)
	+ Non-Service Connected (NSC) Benefits
* **Special Monthly Benefit**
	+ Special Monthly Pension (SMP)
	+ Special Monthly Compensation (SMC) for DIC surviving spouse beneficiaries
* **Survivors Benefit**
	+ Survivor’s Pension Benefits (NSC)
	+ Dependency and Indemnity Compensation (DIC) Benefits (service-connected)
	+ Accrued Benefits (SC or NSC)
	+ Burial Benefits (SC or NSC)
	+ PACT Act related claims (DIC Benefits)
 |  |
| Definitions* *Pension* is a needs-based benefit paid to a wartime Veteran because of permanent and total disability, or having attained age 65, or to a surviving spouse or surviving child because of a wartime Veteran’s death.
* *Parents’ DIC* is an income-based benefit payable to a parent of a Servicemember who died from SC causes while on active duty, active duty for training, or inactive duty training.
* *Special Monthly Pension (SMP)* refers to Veterans and survivors who are eligible for pension and require the aid and attendance (A&A) of another person, or are housebound (HB), may be eligible for additional monetary payment.
	+ paid in addition to monthly pension, and they are not paid without eligibility to pension
 |  |
| Veteran Pension Claims* Entitlement to *Veterans Pension* is defined as having been established when the following elements are shown:
	+ qualifying service
	+ a permanent and total (P&T) disability, or age 65 or older
	+ countable income is below the maximum annual pension rate (MAPR), and
	+ net worth limitations are met
 |  |

| PowerPoint Slides | Notes |
| --- | --- |
| Definition: Survivors Pension* Entitlement to *Survivors Pension*, is defined as having been established when the following elements are shown:
	+ qualifying service
	+ relationship to the Veteran
	+ for a surviving spouse, the spouse is not remarried
	+ for a surviving child, the child is unmarried and
		- under age 18
		- became permanently helpless before age 18, or
		- is between age 18 and 23 and is in school
	+ countable income is below the MAPR, and
	+ net worth limitations are met
 |  |
| Definition: DIC* *Dependency and Indemnity Compensation*(DIC) is defined as a monthly payment made
	+ to a surviving spouse, child, or parent because of an SC death that occurred on or after January 1, 1957
	+ to a surviving spouse or child because the Veteran had been rated as totally disabled due to an SC disability prior to his/her death, typically for at least 10 years, or
	+ to a surviving spouse, child, or parent because of death due to VA medical treatment
 |  |
| Definition: Burial Claims * A burial allowance is a one-time benefit payment payable toward the expenses of the funeral and burial of the Veteran's remains.
 |  |
| Definition: Month of Death Claims* Month of Death (MOD) is a one-time benefit in which a surviving spouse may receive the pension or compensation amount for the last month that the Veteran was entitled to before death.
 |  |
| Definition: Accrued Claims and Request for Substitution* *Accrued benefits* are those that are due to the beneficiary but are not paid prior to his/her death.
* *Substitution*is the right of a living person to submit additional evidence in support of the deceased claimant’s pending claim, request for decision review, or appeal of decision.
 |  |
| Definition: Contested Claims* A contested claim exists when a favorable decision on one claim negatively affects the decision on a claim for another claimant; separate claims from two people that claim entitlement to the same benefit.
 |  |
| P&T Disability (1 of 3)* A rating determination of P&T disability is not required to establish eligibility for Veterans Pension when a Veteran is
* age 65 or older, or
* presumed to be P&T disabled for pension purposes due to being
	+ a patient in a nursing home for long-term care because of a disability, or
	+ disabled, as determined by the Commissioner of Social Security
* For Veterans younger than age 65 who the Social Security Administration (SSA) determined disabled, assume P&T for pension purposes from the date of disability onset.
 |  |
| P&T Disability (2 of 3)* If the Veteran is *not* age 65 or older, or presumed to be P&T disabled because of being a patient in a nursing home or VA approved medical foster home, or disabled as determined by the Commissioner of Social Security, a rating is required
* For pension claims that require a P&T disability determination, a general medical examination is necessary for all claims when there is insufficient medical evidence available to decide the claim.
* *Adequate medical evidence for pension rating purposes* must address all medical or mental conditions provided by the Veteran and can be used to evaluate the impact of each condition on the Veteran’s employability.
 |  |
| P&T Disability (3 of 3)* Claimants of the Internal Revenue Service (IRS) Disability Income Exclusion are required to submit a certificate attesting to a P&T disability.
* Under an agreement with the IRS, the IRS will accept a Department of Veterans Affairs (VA) certification on [*VA Form 21-0172*, *Certification of Permanent and Total Disability*](http://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21-0172-ARE.pdf), based solely on an *existing* rating of P&T disability in place of the required private physician’s statement, if the form is completed and signed by a member of the rating activity.
 |  |
| P&T Effective Dates* Under [38 CFR 3.400(b)(1)](http://www.ecfr.gov/cgi-bin/text-idx?SID=ed44fb8f826c2e73b1676e2c4cdbb87a&node=se38.1.3_1400&rgn=div8), if the Veteran files a claim for a retroactive award within one year from the date of P&T disability, and was prevented from applying for pension by a disability, a pension award may be retroactive for up to one year prior to the date of receipt of the initial claim, but not earlier than the date of P&T disability
* Pension may be awarded to a Veteran retroactive for up to one year prior to the date of receipt of the initial claim if any of the following criteria are continuously met from September 17, 2001, until the date of claim:
	+ age 65
	+ found disabled by SSA for the purpose of Social Security Disability benefits, or
	+ a patient in a nursing home for long-term care because of disability
 |  |

| PowerPoint Slides | Notes |
| --- | --- |
| **Maintenance Award Adjustments (Income, Medical, Dependency, Apportionments)*** A claim submitted with evidence in support of a potential increase or decrease in benefits.
 |  |
| Definition: 800 Series Work Items* An *800 series work item* is a system-generated message designed to assist (VSCs) and (PMCs) in identifying and tracking cases that require follow-up action.  Each 800 series work item has a descriptive claim label indicating the nature of the review required.
* An 800 series work item may be generated as a result of maturation of a diary or other system triggers such as benefit details, returned payments, or data related to dependents.
 |  |
| **Elections*** An **election** is the exercise of a choice of one benefit or type of benefit over another to the total exclusion of the benefit not chosen.
* An election may be final and irrevocable or the claimant may elect and reelect as often as desired depending on what the pertinent legislation authorizes.
 |  |
| Hospital Adjustments* The provisions of [38 CFR 3.551](http://www.ecfr.gov/cgi-bin/text-idx?SID=77cdd8dcef64535414e3def3cd055bfc&mc=true&node=se38.1.3_1551&rgn=div8) require a reduction of pension payments for a Veteran who has not established dependents for Department of Veterans Affairs (VA) purposes, and is being furnished hospital, domiciliary or nursing home care by VA or at VA expense.
 |  |
| Definition: Renouncements* A renouncement is a request from a beneficiary to terminate pension benefits.
	+ [38 CFR 3.106](http://www.ecfr.gov/cgi-bin/text-idx?SID=eaed18a82e23c237013dfa5b0ab7c586&mc=true&node=se38.1.3_1106&rgn=div8) requires renouncement of the *full* amount of entitlement;
* renouncement of individual portions of a benefit, such as the additional benefits payable for a dependent or dependents, and being HB or requiring A&A of another person, is prohibited
 |  |
| **Incarceration/ Fugitive Felon Claims*** A discontinuance of a beneficiary’s pension or removal of an incarcerated dependent when the beneficiary or dependent is incarcerated more than 60 days following the conviction of a felony or misdemeanor.
* A beneficiary’s DIC benefits is reduced when the beneficiary is incarcerated more than 60 days following the conviction of a felony.
* DIC and pension benefits are not payable to a beneficiary that is a fugitive felon or for a dependent that is a fugitive felon.
 |  |
| **Common Errors*** Failing to notice characteristics of various claims causes time-consuming and benefit-affecting errors such as the following:
	+ Processing claim incorrectly (e.g., medical evidence received, but Intake Processing Center [IPC] failed to assign the correct End Product [EP])
	+ Failure to recognize that claim requires a rating decision
 |  |
| **PACT Act-related Survivor Claims*** Claim establishment for PACT Act-related survivor claims should align with EP controls per M21-4, Appendix B and C
	+ Use EP 140 for original DIC where no prior claim for survivors’ benefits has been adjudicated
* A valid claim for reevaluation consists of an election by the claimant *and* the existence of a previously denied claim for DIC
	+ An election for a reevaluation of a previously denied DIC claim is accepted if correspondence requesting such a reevaluation is received with, or following receipt of, a prescribed form for survivor benefits
 |  |
| Knowledge Check – TEST**Time allowed: 10 minutes** |  |
| **Questions?****This icon prompts you to ask trainees a discussion question or to ask trainees if they have any questions before proceeding with instruction.**  |  |
| **What’s Next*** Complete **Types of Pension Claims and Claims Recognition** Evaluation: TMS ID: **4189342**
 |  |