Pension and Fiduciary Service

PMC VSR Advanced Core Course Phase 6: Practical Application and Experience

Process Dependency and Indemnity Compensation (DIC) Claims

Trainee Guide

June | 2024

Process Dependency and Indemnity Compensation (DIC) Claims

Lesson Overview

| Topic | Description |
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| Time Estimate: | 6 hours |
| Purpose of the Lesson: | The purpose of this lesson is to train PMC VSRs to process DIC claims through demonstration, practice, and feedback. Lesson includes how to use the systems for processing the claims. |
| Prerequisite Training Requirements: | Prior to taking the Process DIC Claims lesson, you must complete PMC VSR Core Course Phases 1–5.6.  |
| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * VA Form 21P-534EZ (Application DIC, Death Pension, and/or Accrued Benefits)
* 38 USC 5101 (Claims and Forms)
* 38 CFR 3.12a (Minimum Active-Duty Service Requirement)
* 38 CFR 3.150 (Forms to be Furnished)
* 38 CFR 3.152 (Claims for Death Benefits)
* 38 CFR 3.155 (How to File a Claim)
* 38 CFR 3.160 (Status of Claims)
* M21-1 **I.i.1.A.4.f****.**(Definition: Substantially Complete Application)
* M21-1 III.i.1.B.1.b.  (Entitlement to VA Benefits When the Minimum Active Duty Requirements Are Not Met)
* M21-1 III.i.1.B.1.c.  (Exceptions to Minimum Active Duty Requirement)
* M21-1 V.iv.1.E.1.a (Review of Rating Decisions)
* M21-1 VI.i.1.A.2.c (Award Processing Responsibilities)
* M21-1 VII.i.2.D.4 (Marriage Date Requirements and DIC Claims)
* M21-1 VII.i.2.E.12 (Survivor Benefit Eligibility Based on Remarriage Upon Attaining Age 57)
* M21-1 VII.i.2.E.13 (DIC Eligibility Based on Remarriage Upon attaining Age 55)
* M21-1 **XII.i.1.A.1.** (Overview of DIC)
* M21-1 **XII.i.1.B. (Common Dependency and Indemnity Compensation (DIC) Processing Issues)**
* M21-1 **XII.i.2.A** (Rating Dependency and Indemnity Compensation (DIC))
* M21-1 XII.i.2.B. (Aid and Attendance (A&A) and Housebound Determinations for Survivors)
* M21-1 XII.i.4.C. (Survivor Benefit Plan (SBP) Offsets)
* M21-1 XIII.i.3.H.1.b.(Eligibility Requirements for CHAMPVA)
* M21-1 XIII.i.3.H.2.e. (Notifying Survivors of Their Potential Entitlement to CHAMPVA)
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| Technical Competencies: | * Program Benefits and Eligibility (PMC VSR)
* Processing Claims (PMC VSR)
* VBA Applications (PMC VSR)
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| Lesson Objectives: | By the end of this lesson, you should be able to:* Recognize indicators of a DIC claim.
* Confirm claim characteristics assigned by claims assistant.
* Determine if claim may be denied without development.
* Determine if evidence is sufficient to process claim for DIC.
* Apply correct development actions for the evidence/information missing from the claim.
* Determine entitlement to DIC.
* Determine if claim should be submitted to rating activity.
* Decide the award action for a DIC claim.
* Create a Personal Computer Generated Letter (PCGL) decision notification.
* Submit the claim to the Authorizer.
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| What You Need: | * Trainee guide
* Access to VBA intranet
* Pen and paper
* Access to the following systems:
	+ SHARE
	+ VBMS
	+ MAP-D
	+ VETSNET
* Access to CPKM
* Access to the following job aids from VSR Assistant:
	+ **Processing a DIC Claim Checklist** job aid
	+ **SBP Checklist** job aid
* *Appendix A* for other job aids and references
* Appendix B – Eligibility Requirements for DIC
* Appendix C – Determining DIC Eligibility
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| PowerPoint Slides | Notes |
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| Process Dependency and Indemnity Compensation (DIC) Claims |  |
| Lesson Objectives (1 of 2)* Process a claim for DIC.
	+ Recognize indicators of a DIC claim.
	+ Confirm claim characteristics assigned by claims assistant.
	+ Determine if claim may be denied without development.
	+ Determine if evidence is sufficient to process DIC claim.
	+ Apply the correct development actions for the information/evidence missing from the claim.
 |  |
| Lesson Objectives (2 of 2)* + Determine entitlement to DIC.
	+ Determine if claim should be submitted to rating activity.
	+ Decide the award action for a DIC claim.
	+ Prepare a decision notification for a DIC claim.
	+ Submit the claim to the Authorizer.
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| Why This Matters!* The Process Dependency and Indemnity Compensation Claims course matters because it assists users with ensuring claimants receive all entitled benefits for which they are eligible.
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| Review Characteristics of a DIC Claim (1 of 2) * A tax-free monthly monetary benefit
* For a surviving spouse or child of a deceased Veteran who either:
	+ Died while on active duty, active duty for training, or inactive duty for training
	+ Died from service-connected illness or disabilities
	+ Had been rated totally disabled for 10 or more years immediately preceding death (including Individual Unemployability [IU] or 100% SC rating) or continuously for at least 5 years from Veteran’s release from active duty immediately preceding death
	+ Died as a result of carelessness, negligence, lack of proper skill, error in judgment, or similar instance of fault of VA and issue raised by claimant not inferred
 |  |
| **Review Characteristics of a DIC Claim (2 of 2)*** Receipt of:
	+ VA Form 21P-534 (Application for Dependency and Indemnity Compensation, Survivors Pension and Accrued Benefits by a Surviving Spouse or Child [Including Death Compensation if Applicable]) or
	+ VA Form 21P-534EZ (Application for DIC, Survivors Pension, and/or Accrued Benefits)
	+ VA Form 21P-534a (Application for Dependency and Indemnity Compensation by a Surviving Spouse or Child—In-Service Death Only)
 |  |
| **Review Activity – Eligibility Requirements for DIC*** **Instructions:**
	+ Divide into groups of four.
	+ Access Appendix B – Eligibility Requirements for DIC
	+ Access CPKM to use M21-1 to complete the activity.
	+ Work in assigned group.
	+ Read the references in the worksheet for the DIC benefit assigned to your group.
	+ List the eligibility requirements for your DIC benefit on the worksheet provided.
	+ Select one person to present your group’s findings.
* **Time allowed: 20 minutes**
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| PowerPoint Slides | Notes |
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| **Overview of Processing a DIC Claim*** Many of the steps required to process an original DIC claim are done simultaneously by PMC VSRs in the field.
* For the purpose of instruction, the steps are broken out individually.
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| Practice Exercise for Determining DIC Eligibility* **Instructions:**
	+ Remain in groups of four.
	+ Access Appendix C – Determining DIC Eligibility
	+ For each scenario, determine whether it meets the eligibility requirements for 1310, 1318, 1151, or Enhanced (8x8) DIC.
	+ Select a group member to share your group’s answers with the class.
* **Time allowed: 20 minutes**
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| PowerPoint Slides | Notes |
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| ****Recognize Indicators of a DIC Claim****Indicates a demonstration should be performed* VA Form 21P-534 (Application for Dependency and Indemnity Compensation, Survivors Pension, and Accrued Benefits by a Surviving Spouse or Child [Including Death Compensation if Applicable])
* VA Form 21P-534EZ (Application for DIC, Survivors Pension, and/or Accrued Benefits)
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| ****Claim 1—Confirm Claim Characteristics Assigned by Claims Assistant***** Verify claim type
* Confirm the Date of Claim (DOC) is correct
* Validate Power of Attorney (POA)
* Confirm the End Product (EP) and Payee code is correct
* Confirm contentions and special issues
* Verify cause of death and/or disability of Veteran
* Verify claimant information is correct:
* Name
* Address
* SSN
* DOB
 |  |
| Refraining From or Discontinuing AssistanceM21-1 I.1.A.4.b (Refraining From or Discontinuing Assistance)* Lack of qualifying service, Veteran status, or legal eligibility
* Claims that are inherently incredible or clearly lack merit
* Request for a benefit to which the claimant is not entitled as a matter of law
 |  |
| ****Determine if Claim may be Denied without Development**** * Service requirements:
	+ Character of discharge
* Dependency requirements:
	+ Spouse— not married at least one year (or within 15 years of Veteran’s discharge from service under 1310), did not live with Veteran continuously until date of death, divorced, remarried before age 55 or 57, or did not have a child with the Veteran (if married less than a year before Veteran’s death)
	+ Child—not the biological, adopted, or stepchild (before 18), not a member of Veteran’s household at time of Veteran’s death, married, not helpless, or school child receiving DEA or Fry scholarship
 |  |
| ****Identify Missing Information/Evidence**** * Proof and cause of death
* Verified service
* Character of discharge
* Medical records
	+ Service Treatment Records (STRs)
	+ Private Medical Records (PMRs)
* Dependency information/evidence:
	+ Spouse (marital history)
	+ Child (age and status)
* A&A/HB, if applicable
 |  |
| ****Develop for Missing Information/Evidence***** Step 1. Initiate duty to assist for substantially complete applications
* Step 2. Request evidence from claimant
* Step 3. Request evidence from other sources
* Step 4. Wait for responses from claimant/other sources
* Step 5. Verify requested evidence was received within time limit
 |  |
| Determine if Claim is Ready to beSubmitted to Rating Activity* DIC cannot be granted or denied without a Rating Decision
* Referral to Rating Activity should not be done until all development is complete

Indicates a demonstration should be performed |  |
| ****Survivor Benefit Plan (SBP) Overview (1 of 2)***** Due to the potential for large overpayments in DIC awards to surviving spouses also entitled to SBP, a review of SBP entitlement should be completed prior to generating an original DIC award to a surviving spouse for payment dates before January 1, 2023, that require an offset.
* Review the claims folder and electronic systems to determine whether the surviving spouse is potentially eligible for SBP benefits.  Potential eligibility exists if the deceased Veteran was
	+ retired, or
	+ on active duty but eligible for retirement
 |  |
| Survivor Benefit Plan (SBP) Overview (2 of 2)* Prior to January 1, 2021, a surviving spouse is not entitled to receive the full amount of SBP and Dependency and Indemnity Compensation (DIC) benefits concurrently.
* Beginning January 1, 2021 and ending on December 31, 2022, the surviving spouse is entitled to a phased amount per [10 U.S.C 1450(c)(1)(B) and (C)](https://www.law.cornell.edu/uscode/text/10/1450)
* On or after January 1, 2023, the surviving spouse is entitled to the full amount of SBP and DIC benefits concurrently, without offsets [10 U.S.C. 1450(c)(1)(D)](https://www.law.cornell.edu/uscode/text/10/1450)
* Full amount of SBP to a child or parent, since there is no bar against full payment of both benefits for those dependents
 |  |
| Survivor Benefit Plan: Entitlement* In certain cases, VA can pay full DIC benefits without withholding.
* Review [Veterans Information Solution (VIS)](https://vaww.visr.aac.va.gov/vis/)
* If the surviving spouse is in receipt of SBP, but the following is true, then pay full DIC benefits without withholding or awaiting a response from DFAS as indicated in [M21-1, Part XII, Subpart i, 4.C.2](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000175221/M21-1-Part-XII-Subpart-i-Chapter-4-Section-C-Survivor-Benefit-Plan-SBP-Offsets?query=sbp):
	+ the surviving spouse has been receiving SBP for 12 months or less, and the current SBP effective date is 10 years or more from the date of the Veteran’s death, or
	+ the Veteran paid SBP premiums for 120 months, and the DIC award is no greater than 12 months retroactive, or
	+ the payment date is on or after January 1, 2023, and the surviving spouse is entitled to the full amount of SBP and DIC benefits concurrently per [10 U.S.C. 1450(c)(1)(D)](https://www.law.cornell.edu/uscode/text/10/1450)
 |  |
| Survivor Benefit Plan: PTIVA Form* Claims processors are required to submit the *Phone Transaction Interface Veterans Affairs (PTIVA)*form to DFAS notifying them that DIC has been paid in full.
* In all other cases regarding potential entitlement to SBP, VA must await a response from DFAS. However, claims processors may pay DIC as of the date last paid and continue the claim at authorization until a response is received.  After a response is provided by DFAS, finalize the DIC award appropriately.
 |  |
| ****Additional Allowances***** **Enhanced DIC (8x8)**
* **Having minor children—A monthly child supplement that will be paid in addition to the regular DIC payment, if surviving spouse:**
	+ **Is receiving DIC**
	+ **Has one or more children under the age of 18 on the DIC award, and**
	+ **Has not received DIC for more than two years from the date of original entitlement to DIC**
 |  |
| Scenario—DIC ClaimMrs. Martha submits VA Form 21P-534EZ for survivors benefits. The death certificate shows her husband’s death on July 18, 2012, was not service connected, but further review showed that he was listed as service-connected at 100% for disability compensation purposes continuously for 10 years immediately preceding his death. Marriage history on her application also showed that she is an eligible spouse and has been married to the Veteran for the last 15 years. The PMC VSR was then able to send the claim to rating for DIC under 38 U.S.C. 1318 without having to gather any other evidence. |  |
| ****Prepare a Decision Notification for a DIC Claim***** Date of Claim
* Rate Chart
* Month of Death
* Additional Allowances
* Effective Date
* Dependency
* All Benefits Addressed
* Favorable Findings
* Additional Benefit Entitlement
* POA
* Enclosures
 |  |
| ****Submit the Claim to the Authorizer***** Route claim to authorizer using the National Work Queue
* Ensure letter is saved appropriately for review by authorizer based on local procedures
 |  |
| Guided Practice Exercise * **Instructions**:
	+ Work in groups of 2.
	+ Process the assigned DIC Claim from beginning to end.
	+ Use the job aids, references, and systems available to determine the next processing action.
	+ Consult with instructors for assistance.
	+ Be prepared to discuss your results with the class.
* **Time Allowed: 30 minutes**
 |  |
| Guided Practice Exercise 2* Instructions:
	+ Work independently.
	+ Process the assigned DIC Claim from beginning to end.
	+ Use the job aids, references, and systems available to determine the next processing action.
	+ Consult with instructors for assistance.
	+ Be prepared to discuss your results with the class.
* Time Allowed: 30 minutes
 |  |
| Knowledge CheckTime Allowed: 15 minutes |  |
| What’s Next?Complete the Process DIC Claims course evaluation: TMS ID 4408391 |  |