PENSION AND FIDUCIARY Service

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

Process Parents’ Dependency and Indemnity Compensation (DIC) Claims

Trainee Guide

June 2024

Process Parents’ Dependency and Indemnity Compensation (DIC) Claims

Lesson Overview

| Topic | Description |
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| 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 lesson is to train PMC VSRs on how to process parents’ dependency and indemnity compensation (DIC) claims through demonstration and practice. This lesson also includes instruction on how to use the systems for processing parents’ DIC claims. |
| Prerequisite Training Requirements: | Prior to taking the Process Parents’ Dependency and Indemnity Compensation (DIC) Claims lesson, trainees must complete: * PMC VSR Core Course Phases 1–5.6.
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| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * 38 CFR 3.59 (Parent)
* 38 CFR 3.209 (Primary Evidence to Establish the Existence of a Relationship Between a Veteran and His/Her Biological Parent)
* 38 CFR 3.210 (Child Relationships)
* M21-1 VII.i.4.A (Establishing Parental Relationship)
* M21-1 VI.iii.3 (Contested Claims)
* M21-1 XII.i.1.B.1.g (Obtaining Evidence Relating to Cause of Death)
* M21-1 XII.i.1.B.1.i (When to Develop for SC for the Cause of Death)
* M21-1 IX.i.1.4 (Entitlement Requirements and Development for Parents’ DIC)
* M21-1 IX.iii.1.A.4 (Pension and Parent’s DIC Award Effective Dates and Payment Dates)
* M21-1 IX.iii.1.D (Parents’ DIC Authorization)
* M21-1 IX.iii.1.D.1.b (Determination of Parents' DIC Income Limit)
* M21-1 IX.iii.1.D.3 (Proportionate Calculation of Income for Veterans Affairs Purposes (IVAP))
* M21-1 IX.iii.1.D.6.a (General Information on Changes in Marital and Dependency Status)
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| Technical Competencies: | * Program Benefits and Eligibility (PMC VSR)
* Processing Claims (PMC VSR)
* Income Counting and Net Worth
* VBA Applications (PMC VSR)
 |
| Lesson Objectives: | By the end of this lesson, you will be able to:* Recognize indicators of a Parents DIC claim
* Determine if claim may be denied without development
* Identify and develop for any missing information or evidence
* Determine if claim should be submitted to rating activity
* Determine the award action for a Parents DIC claim
* Prepare a decision notification for a Parents DIC claim
* Submit the claim to the Authorizer
 |
| What You Need: | * Trainee Guide
* Access to the following job aids from VSR Assistant:
	+ **Parent’s DIC Eligibility Requirements job aid**
	+ **Processing a Parents’ DIC Claim Checklist** job aid
	+ **Appendix A – Practice Exercises**
* Whiteboard/flip chart with different colored markers
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| PowerPoint Slides | Notes |
| --- | --- |
| Process Parents’ Dependency and Indemnity Compensation (DIC) Claims  |   |
| **Why It Matters!**Knowing how to Process Parents DIC Claims correctly will equip you with an understanding of how to handle variations that may arise for this claim type. |  |
| Lesson ObjectivesBy the end of this lesson, you will be able to:* Recognize indicators of a Parents DIC claim.
* Determine if claim may be denied without development.
* Identify and develop for any missing information or evidence.
* Determine if claim should be submitted to rating activity.
* Determine the award action for a Parents DIC claim.
* Prepare a decision notification for a Parents DIC claim.
* Submit the claim to the Authorizer.
 |  |
| Parents' DIC OverviewCharacteristics of Parents DIC:* Income-based benefit
* Payable to a parent of a Veteran who:
	+ Died from service-connected (SC) causes occurred after December 31, 1956.
* VA Form 21-535 (Application for Dependency and Indemnity Compensation by Parent(s) [Including Accrued Benefits and Death Compensation When Applicable])
* CESTed: EP 140, 020, 150
 |  |
| **DIC and Parents’ DIC Are Different**Table  Description automatically generated |  |
| Important Parental Relationship Definitions * **Parent:** an individual’s legal status with respect to the Veteran, that is, whether the claimant may be recognized as the Veteran’s biological, adoptive, or foster parent
* **Foster parent:** a person who stands in place of a Veteran’s parent for a continuous period of at least one year
* **Parent for VA purposes:** the person who **last** bore the relationship of parent prior to Veteran’s entry into active duty military service

Hand with marker writing the definition of Relationship on a white board: Individual’s legal status with respect to the Veteran, that is, whether the claimant may be recognized as the Veteran’s parent.  |  |



| PowerPoint Slides | Notes |
| --- | --- |
| **Income and Rate Calculations*** IVAP=Annual earned income+(annual retirement Income\*90%)-medical expenses+(5%\*gross annual income before the 90% deduction)
* Rate=Compare IVAP to rate chart. Find the closest yearly income to the IVAP that is equal to the IVAP or lower than it. Take the listed monthly rate and decrease it by the decrement for every dollar the IVAP exceeds the chosen income limit.
 |  |
| Lesson Overview* **Demonstration—**Instructor goes over a claim scenario and review questions with trainees. Instructor discusses the claims review process from start to finish with opportunities to discuss trainee questions.
* **Guided** **Practice**—Trainees are assigned Original Parents DIC claims to process.
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| **Process Parents DIC Practice Exercise: Claim 1*** **Instructions**:
	+ Work Independently.
	+ Access Appendix A (Practice Exercise) - Claim 1
	+ Read the scenario to determine the actions needed.
	+ Use the worksheet to record a response.
	+ Be prepared to discuss your rationale.
* **Time allowed**: 10 minutes
 |  |
| **Claim 1 Processing Questions*** Is there sufficient information to decide the claim?
* Does the claim require a rating decision?
* Does Susan qualify for Parents DIC, and if so, what rate would she receive?
 |  |
| **Process Parents DIC Practice Exercise: Claim 2*** **Instructions**:
	+ Work Independently.
	+ Access Appendix A (Practice Exercise) - Claim 2
	+ Read the scenario to determine the actions needed.
	+ Use the worksheet to record a response.
	+ Be prepared to discuss your rationale.
* **Time allowed**: 10 minutes
 |  |
| **Claim 2 Processing Questions*** Is there sufficient information to decide the claim?
* Does the claim require a rating decision?
* Does Jerry qualify for Parents DIC, and what is his income for VA purposes?
 |   |
| **Process Parents DIC Practice Exercise: Claim 3*** **Instructions**:
	+ Work Independently.
	+ Access Appendix A (Practice Exercise)- Claim 3
	+ Read the scenario to determine the actions needed.
	+ Use the worksheet to record a response.
	+ Be prepared to discuss your rationale.
* **Time allowed**: 10 minutes
 |  |
| **Claim 3 Processing Questions*** Is there sufficient information to decide the claim?
 |   |
| **Process Parents DIC Practice Exercise: Claim 4*** **Instructions**:
	+ Work Independently.
	+ Access Appendix A (Practice Exercise) - Claim 4
	+ Read the scenario to determine the actions needed.
	+ Use the worksheet to record a response.
	+ Be prepared to discuss your rationale.
* **Time allowed**: 10 minutes
 |   |
| **Claim 4 Processing Questions*** Is there sufficient information to decide the claim?
* Does the claim require a rating decision?
* Does Linda qualify for Parents DIC, and if so, what rate would she receive?
 |   |
| **Process Parents DIC Practice Exercise: Claim 5*** **Instructions**:
	+ Work Independently.
	+ Access Appendix A (Practice Exercise) - Claim 5
	+ Read the scenario to determine the actions needed.
	+ Use the worksheet to record a response.
	+ Be prepared to discuss your rationale.
* **Time allowed**: 10 minutes
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| **Claim 5 Processing Questions*** Is there sufficient information to decide the claim?
 |   |
| Guided Practice OverviewInstructions:* Instructors assign live PDIC claims to trainees.
* Trainees review pending claims and take necessary action
* Use the job aids, references, and systems available.
* Consult with instructors for assistance.
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| Knowledge Check: Lesson Summary ReviewTime Allowed: 15 minutes |  |
| What’s Next?COMPLETE the Process Parents' DIC Claims course evaluation: TMS ID #4408394 |  |