Pension and Fiduciary Service

PMC VSR Intermediate Core Course   
Phase 5: Proficiency Development  
Part 3: Promulgation

**Introduction to Processing a Request for Renouncement of Benefits**

Trainee Guide

July 2024

Process a Request for Renouncement of Benefits

Lesson Overview

| Topic | Description |
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| Time Estimate: | 2 hours |
| Purpose of the Lesson: | This lesson is part of the entry-level course for PMC VSRs. Although positioned within the Intermediate Phase, this course remains an entry-level course and its purpose is to introduce PMC VSRs to processing requests for renouncement of benefits. |
| Prerequisite Training Requirements: | Prior to taking the **Introduction to Processing a Request for Renouncement of Benefits** lesson, trainees must complete the entry-level courses:   * Phases 1-5.2 |
| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * 38 CFR 3.106 (Renouncement) * 38 CFR 3.951 (Preservation of Disability Ratings) * M21-1 VI.i.1.A (Decision Authorization) * M21-1 VII.iii.1.A.1.g.  (Apportionments as a Convenience on the Part of Beneficiaries) * M21-1 IX.iii.1.D.4.h.  (Handling Applications After Renouncement of Parents’ DIC) * M21-1 X.iv.4. (Renouncements) * M21-1 X.iv.4.1.b (Acceptable Means of Renouncing the Right to a Benefit) * M21-1 X.iv.4.3.d. (Notification of Renouncement of the Right to Pension or Parents DIC) * M21-1 X.iv.4.3.e. (Notification of Renouncement of the Right to Benefits Other Than Pension or Parents DIC |
| Technical Competencies: | * VBA Applications (PMC VSR) * Program Benefits and Eligibility (PMC VSR) |
| Knowledge Check | Phase 5.3 Introduction to Processing a Request for Renouncement of Benefits |
| Lesson Objectives: | By the end of this training, you should be able to   * Identify a request for renouncement of benefits * Recognize if renouncement evidence is clear and unambiguous * Determine if there is evidence of another issue |
| What You Need: | * Trainee Guide * **Access to the following job aids:**   + **Processing an Award Renouncement** job aid   + **Prepare the Decision Notification job aid**   + **Notification Language** job aid |

| PowerPoint Slides | Notes |
| --- | --- |
| Introduction to Processing a Request for Renouncement of Benefits |  |
| Lesson Objectives  By the end of this training, you should be able to   * Identify a request for renouncement of benefits * Recognize if renouncement evidence is clear and unambiguous * Determine if there is evidence of another issue |  |
| Why It Matters!  The Introduction to Processing a Request for Renouncement of Benefits matters because it is important to understand how to correctly identify a request for a renouncement of benefits to take the correct actions as it involves terminating a benefit at the request of the beneficiary. |  |
| Renouncement: 38 CFR 3.106 (1 of 2)   * According to 38 CFR 3.106, any person entitled to pension or dependency and indemnity compensation (DIC) VA may renounce his or her right to that benefit but may not renounce less than all the component items which together comprise the total amount of the benefit to which the person is entitled nor any fixed monetary amounts less than the full amount of entitlement. * The renouncement will be in writing over the person's signature. * Upon receipt of such renouncement in the VA, payment of such benefits and rights will be terminated, and such person will be denied all rights. * The renouncement will not preclude the person from filing a new application for pension or DIC at any future date. |  |
| Renouncement: 38 CFR 3.106 (2 of 2)   * If a new application for pension or parents' dependency and indemnity compensation (PDIC) is filed within one year after the date that VA receives a renouncement of that benefit, the application will not be treated as an original application and benefits will be payable as if the renouncement had not occurred. * The renouncement of DIC by one beneficiary will not serve to increase the rate payable to any other beneficiary in the same class. * The renouncement of dependency and indemnity compensation by a surviving spouse will not serve to vest title to this benefit in children under the age of 18 years or to increase the rate payable to a child or children over the age of 18 years. |  |
| Reasons for Renouncement of Benefits   * Beneficiaries desiring to renounce their right to a benefit usually fall into one of the following categories:   + Beneficiaries who want to qualify for a low-income program such as Medicaid or government housing   + Beneficiaries who became entitled to income (SSA), failed to report it in a timely manner, and request renouncement to avoid overpayment   + DIC beneficiaries who have remarried and failed to report it in a timely manner * DIC children who qualify for DEA, failed to report it in a timely manner, and request renouncement to avoid overpayment |  |
| Handling Requests for Renouncement   * Beneficiaries desiring to renounce their right to a benefit must submit a *written* and *signed* request to VA. * VA will ***not*** accept a request for renouncement that a representative, such as a power of attorney, signs and submits on a beneficiary’s behalf. * Requests for renouncement must be clear and unambiguous.   + If there is any question as to a beneficiary’s intent, attempt to obtain clarification by telephone or use a locally generated letter to ask the beneficiary for clarification.   + If the beneficiary does not respond to the letter within 30 days, notify him/her that VA will take no further action on his/her request until VA obtains clarification of his/her intent. |  |
| **Handling Previously Renounced Requests (1 of 2)**   * A former beneficiary who renounced his/her right to a benefit may later reapply for the same benefit at any time by filing a new application.   + VA must treat the new application as an original claim, and   + if VA awards benefits based on the new application, it may not pay them for any period prior to the date VA received the new application * Upon receipt of a new application for benefits, address only those issues or contentions the claimant raises on the new application. |  |
| **Handling Previously Renounced Requests (2 of 2)**   * If VA discontinues benefits based on a beneficiary’s renouncement of his/her right to *pension or Parent’s DIC*, and the beneficiary submits a new application for the same benefit within one year of the date VA received the beneficiary’s request   + waives the requirement to treat the new application as an original claim, and   + allows VA to pay benefits (if entitlement still exists) as if the beneficiary had never renounced the right to receive the benefit |  |
| Renouncement of the Right to Veterans Pension   * The protection [**38 CFR 3.951(b)**](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=7f4878f787ebf9871a4b5ce51586fba5&ty=HTML&h=L&r=SECTION&n=se38.1.3_1951) affords to P&T disability ratings ends when a Veteran renounces his/her right to pension. * Time does not accrue toward entitlement to the protection [**38 CFR 3.951(b)**](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=7f4878f787ebf9871a4b5ce51586fba5&ty=HTML&h=L&r=SECTION&n=se38.1.3_1951) affords if a Veteran’s pension is in a renounced status. * If a Veteran reapplies for pension after renouncing his/her right to this benefit, VA must treat the new application as an original claim.   + Any time that had accrued (prior to renouncement) toward entitlement to the protection [**38 CFR 3.951(b)**](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=7f4878f787ebf9871a4b5ce51586fba5&ty=HTML&h=L&r=SECTION&n=se38.1.3_1951) affords is lost when a Veteran renounces his/her right to pension.   + The accrual of time toward entitlement to the protection [**38 CFR 3.951(b)**](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=7f4878f787ebf9871a4b5ce51586fba5&ty=HTML&h=L&r=SECTION&n=se38.1.3_1951) affords must start over again if VA awards pension based on the new application. |  |
| ****Renouncement of the Right to DIC****   * If VA is paying DIC to multiple beneficiaries in the same class (e.g., multiple children of the same Veteran), renouncement of the right to DIC by one beneficiary will *not* have the effect of increasing the rate of DIC payable to any other beneficiary in the same class. * If a surviving spouse renounces his/her right to DIC   + any child on the surviving spouse’s award that is under the age of 18 also loses his/her right to DIC (unless the child is entitled to DIC based on the death of a different Veteran-parent), and   + the surviving spouse’s renouncement will *not* have the effect of increasing the rate of DIC payable to a child or children over the age of 18 |  |
| End Products and Effective Dates   * Control and process requests for renouncement of the right to a benefit under   + end product (EP) 290,   + using the *Renouncement* claim label * When discontinuing an award based on receipt of a renouncement, and there is a **running award** discontinue the award effective the first day of the month following the date VA received the renouncement. * When discontinuing an award based on receipt of a renouncement, and the **award is suspended** discontinue the award effective the date in the LAST PAID DATE field on the AWARD INFORMATION tab in SHARE. |  |
| Discontinuing the Award  To discontinue a beneficiary’s award based on his/her renouncement of the right to a benefit   * select *Terminate – Renouncement* from the drop-down box for the DECISION field on the RECORD DECISIONS – BASIC ELIGIBILITY screen, and   + enter the proper effective date in the AWARD EFFECTIVE DATE field |  |
| Handling Requests for Renouncement: PDIC   * An application for Parents’ DIC filed within one year after renouncement of that benefit is not treated as an original application.   + Benefits are payable as if the renouncement had not occurred. * This precludes the planned renouncement of the benefit prior to receipt of nonrecurring income to avoid having that nonrecurring income used to calculate IVAP. |  |
| Handling Requests for Renouncement: Income for VA Purposes   * VA must include income received in that one-year period as income for VA purposes, and   + a planned renouncement of the benefit prior to receipt of nonrecurring income in order to avoid having that nonrecurring income used to calculate IVAP is not permitted |  |
| Handling Requests for Renouncement: Medical Expenses   * In some situations, a beneficiary may wish to receive a lower rate of pension to establish eligibility for benefits from another agency; however, partial renouncement is prohibited.   + Once a beneficiary has reported payment of medical expenses and VA has reduced the beneficiary’s income for VA purposes (IVAP) based on the medical expenses, it is too late to recalculate IVAP because the beneficiary no longer wishes to claim the medical expenses.   This would constitute a partial renouncement of benefits, which is prohibited per 38 CFR 3.106 |  |
| Requests for a Withdrawal of a Claim   * A request to withdraw a claim is valid only if VA receives it *before* issuing a decision notice regarding the same claim. * If VA receives a request for withdrawal of a claim *after* issuing a decision notice, the claimant must either accept or renounce the benefits payable as a result of VA’s decision |  |
| Requests for Renouncement: Notification Requirements   * M21-1 X.iv.4.3.d.  Notification of Renouncement of the Right to Pension or Parents DIC * M21-1 X.iv.4.3.e.  Notification of Renouncement of the Right to Benefits Other Than Pension or Parents DIC |  |
| Knowledge Check: Lesson Summary Review    Time Allowed: 10 minutes |  |
| What’s Next   * Complete the Introduction to Processing a Request for Renouncement of Benefits course evaluation: TMS ID: 4649119 | **DISPLAY** slide **24.** “What’s Next”  **INSTRUCT trainees to Complete the** Introduction to Processing a Request for Renouncement of Benefitscourse evaluationusing **TMS ID #: 4649119** |