



ACCRUED BENEFITS AND SUBSTITUTION

What Are Accrued Benefits?

Accrued benefits are benefits that are due to the beneficiary based on an existing decision on a claim for benefits or evidence in the Veteran's claim file at the date of death, but not paid prior to death.

Examples of accrued benefits include:

1. A claim or appeal for a recurring benefit was pending at the time of the beneficiary's death and all of the evidence needed for a favorable decision was in the file on the date of death (evidence in file "means" the evidence was in VA's possession, in a VA facility, even if it was not actually physically in the claims file), OR
2. A claim for a recurring benefit had not been allowed, but the beneficiary died before award action could be taken, OR
3. At the time of the beneficiary's death, one or more benefit checks had not been deposited or negotiated.

Who is Eligible to Receive Accrued Benefits?

Generally, VA pays accrued benefits based on the claimant's relationship to the deceased Veteran. If there is no living person eligible to claim accrued benefits, VA pays accrued benefits based on reimbursement.

Relationship:

If accrued benefits are payable, they are paid to the first living person listed below:

When the person entitled is the Veteran's...	VA pays the accrued benefit in ...
Surviving spouse	Full to the surviving spouse

Disabilities determined by VA to be related to your military service can lead to monthly non-taxable compensation, enrollment in the VA health care system, a 10-point hiring preference for federal employment and other important benefits. Ask your VA representative or Veterans Service Organization representative about Disability Compensation, Pension, Health Care, Caregiver Program, Career Services, Educational Assistance, Home Loan Guaranty, Insurance and/or Dependents and Survivors' Benefits.



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Veteran's dependent children, including children between the ages of 18 and 23 and attending school or children found helpless. (If the child is not a dependent for VA purposes, he/she may receive accrued benefits based on reimbursement (see below)	Equal shares
Parents (both)	Equal shares, if they are determined to be dependent parents at the date of the Veteran's death
Sole surviving parent	Full to the sole surviving parent, if he or she is determined to be a dependent parent at the date of the Veteran's death

If the death is that of a...	Then the accrued is payable to the ...
Surviving spouse	<p>Veteran's children.</p> <p>Note: Accrued Dependent's Educational Assistance (DEA) is payable <i>only</i> as reimbursement on the expenses of last sickness and burial.</p>
Child	<p>Surviving child(ren) of the Veteran who are entitled to death compensation, dependency and indemnity compensation, or death pension with the exceptions as listed below.</p> <ul style="list-style-type: none"> If the deceased child was entitled to an apportioned share of the surviving spouse's award, the accrued benefit is payable <i>only</i> as reimbursement on the expenses of such deceased child's last sickness or burial.





	<ul style="list-style-type: none">• If the deceased child was in receipt of death pension, compensation, or DIC, a remaining child who has elected DEA benefits is entitled only to the unpaid benefits which became due and payable to the deceased child for periods prior to the commencement of DEA benefits to the surviving child.
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Entitlement to accrued benefits vests according to the line of succession established by law. The fact that a preferred beneficiary fails to file or prosecute a claim does not permit payment of his/her share of accrued benefits to a person or persons having an equal or lower preference. A waiver of right also does not permit such payment.

Reimbursement:

If there are no living persons who are entitled to accrued benefits on the basis of relationship, VA will pay accrued benefits to reimburse the person(s) who paid for or who are responsible to pay for the Veteran’s last illness and burial expenses. If the expenses were paid from funds of the deceased beneficiary’s estate, the claim should be filed by the executor of the estate.

The amount of accrued benefits payable as reimbursement is limited to the actual amount of expenses paid, and the amount of accrued benefits available.

What is Substitution?

Substitution is a type of accrued benefit. If a Veteran or other claimant dies while his or her claim or appeal is pending, a person eligible to receive accrued benefits may substitute for the Veteran or other claimant to process the claim or appeal through to completion.



How and When Can a Person File a Claim for Accrued Benefits?

Use the following forms (any of which may be used to claim accrued benefits) based on the following;

Relationship

- VA Form 21-601, Application for Accrued Amounts Due a Deceased Beneficiary
- VA Form 21-534, Application for Dependency and Indemnity Compensation, Death Pension and Accrued Benefits by a Surviving Spouse or Child
- VA Form 21-535, Application for Dependency and Indemnity Compensation by Parent(s) (Including Accrued Benefits and Death Compensation when Applicable)
- VA Form 21-0847, Request for Substitution of Claimant Upon Death of Claimant

Reimbursement

- VA Form 21-601, Application for Accrued Amounts Due A Deceased Beneficiary

VA must receive an accrued benefits claim within one year after the Veteran's death, and/or within one year from the date of notification to the Veteran.

VA must receive a substitution of claimant claim within one year of the original claimant's death. If the substitute dies, the next successive substitute has one year following the substitute's death to file a claim.

