#### Department of Veterans Affairs M21-1MR, Part III, Subpart iii

**Veterans Benefits Administration July 22, 2015**

**Washington, DC 20420**

#### Transmittal Sheet

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| Changes Included in This Revision | The table below describes the changes included in this revision of Veterans Benefits Manual M21-1, Part III, “General Claims Process,” Subpart iii, “General Development and Dependency Issues.”  ***Notes***:   * Minor editorial changes have been made to * remove references to rescinded portions of M21-1 * update incorrect or obsolete hyperlink references * update the term “veteran” to “Veteran” * update obsolete terminology, where appropriate * reassign alphabetical designations to individual blocks to account for new and/or deleted blocks within a topic * clarify block labels and/or block text, and * bring the documents into conformance with M21-1 standards. |

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| Reason(s) for the Change | Citation |
| * To clarify that due process is required prior to a reduction of benefits even when following a parole violation or dismissal from a halfway house or work-release program. * To add references regarding incarcaeration in private instititutions, due process, and total disability due to individual unemployability (TDIU) and removal from a work-possible environment. | M21-1 Part III, Subpart v, Chapter 8, Section A, Topic 1, Block a  (III.v.8.A.1.a) |
| To add a new Block b with information regarding paying compensation in lieu of pension during incarceration. | III.v.8.A.1.b |
| * To include community control, incarceration in a foreign penal institution, or residing in a civil commitment centers as part of the exceptions to the reduction of payments in incarcerated cases. * To clarify information regarding the reduction of penefits for Veterans that are transferred to a U.S. penal institution from a foreign penal institution. | III.v.8.A.1.c |
| To add a new Block e with information required to verify incarceration. | III.v.8.A.1.e |
| To note that employees will need to consult with local management to determine who has access to the Benefits Delivery Network (BDN). | III.v.8.A.1.f |
| To clarify that Veterans that are incarcerated should not be assigned an initial or reinstated rating of TDIU. | III.v.8.A.1.g |
| * To add a new Block a that clarifies the type of evidence that constitutes official notice of incarceration. * To move the ***Important*** note from Block b because it makes more sense under the new Block a regarding the documents that are considered official notices of incarceration. | III.v.8.A.2.a |
| To update instructions on handling official notice of incarceration. | III.v.8.A.2.b |
| To add a new Block c with information previously located under Block b regarding how to verify that a Veteran or dependent was convicted of a felony and incarcerated for more than 60 days,. | III.v.8.A.2.c |
| To move the old Block a to a new Block d. | III.v.8.A.2.d |
| To update instructions on end product (EP) control. | III.v.8.A.2.e |
| To clarify that a Veteran in receipt of TDIU should not have that benefit discontinued solely because of his/her removal form the work-possible environment. | III.v.8.A.3.b |
| * To clarify the day that a reduced or discontinued payment should be effective when a Veteran is transferred from a foreign penal instutition to a U.S. pensal institution. * To clarify the day that a compensation payment is effective when paying compensation in lieu of pension to an incarcerated Veteran. | III.v.8.A.3.c |
| To add a reference for more information on how to process incarceration adjustments for Air Force Veterans who received voluntary separation pay. | III.v.8.A.3.d |
| To add a new topic on resuming benefits after incarceration ends. | III.v.8.A.4 |
| To add a new Block a providing information regarding the notification of release from incarceration. | III.v.8.A.4.a |
| To add a new Block b informing when incarceration ends for VA purposes. | III.v.8.A.4.b |
| To add a new Block c on the effective date for resuming benefits for a Veteran not recieiving additional beneftis for dependents. | III.v.8.A.4.c |
| To add a new Block d providing guidelines on resuming benefits to a Veteran that is entitled to both compensation and pension when incarceration ends. | III.v.8.A.4.d |

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| Rescissions | None |

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| Authority | By Direction of the Under Secretary for Benefits |

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| Signature | Thomas J. Murphy, Director  Compensation Service |

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