#### Department of Veterans Affairs M21-1, Part IV, Subpart ii

**Veterans Benefits Administration July 17, 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 IV, “Compensation, DIC, and Death Compensation Benefits,” Subpart ii, “Compensation.”***Notes***: * The term regional office (RO) also includes pension management center (PMC), where appropriate.
* The term Veterans Service Center Manager (VSCM) also includes Pension Management Center Manager (PMCM), where appropriate.
* Minor editorial changes have also 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* remove references to rescinded portions of M21-1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, where necessary, to account for new and/or deleted blocks within a topic
* update section and topic titles to more accurately reflect their content
* repaginate a section or chapter
* 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 remove reference to 38 CFR 3.157 related to report of examination or hospitalization as a claim for increase or to reopen as an AO81-related change. | M21-1, Part IV, Subpart ii, Chapter 3, Section A, Topic 1, Block c(IV.ii.3.A.1.c) |
| To add a cross-reference for more information on clear and unmistakable error (CUE) decisions to include a definition of CUE to III.iv.2.B.4. | IV.ii.3.A.2.a |
| To clarify the effective date for severance decisions. | IV.ii.3.A.2.k |
| To remove outdated Benefits Delivery Network (BDN) guidance on processing awards as well as BDN reference to M21-1, Part I, Appendix C, Table F. | IV.ii.3.A.2.l |
| To remove information related to sending a *VA Form 21-653, Notice of Change in Status of Beneficiary Receiving Hospital or Domiciliary Care*, which is no longer current. | IV.ii.3.A.2.m |
| * To add a new row to table providing information on award action to take if an evaluation is reduced as part of a staged rating assigned in an original claim.
* To add reference to *Tatum v. Shinseki* addressing that notice under 38 CFR 3.105(e) is only required when there is a reduction in compensation payments currently being made.
* To add guidance that a reduction will not take effect prior to expiration of a schedular convalescent period with example.
* To add a reference for information on when 38 CFR 3.105(e) is not applicable under VAOPGCPREC 71-91.
 | IV.ii.3.A.3.d |
| To remove duplicate information from the block related to the action to take if a Veteran files a notice of disagreement (NOD) before a final decision is made and add cross-reference to primary location at M21-1, Part I, 2.C.2.b. | IV.ii.3.A.3.g |
| * To remove outdated BDN guidance and reference to BDN guidance at M21-1, Part I, Appendix C, Table F.
* To add references to the *Veterans Service Network* (*VETSNET) User Guide* and *Veterans Benefits Management System (VBMS) User Guide*.
 | IV.ii.3.A.3.j |
| To remove outdated BDN guidance on reason codes to use when handling evidence received after a final rating is prepared. | IV.ii.3.A.3.l |
| To remove outdated guidance related to special law code 06. | IV.ii.3.A.3.m |
| To remove outdated guidance related to the 301 screen as well as reason code 34 and the 403 screen. | IV.ii.3.A.4.d |
| To add a new topic and provide guidance on awards under the *Nehmer* court order. | IV.ii.3.A.5 |
| * To add a new Block a to relocate information from M21-1, Part IV, Subpart ii, 2.C.4.o related to determining the proper survivor of a *Nehmer* class member for payment purposes.
* To provide guidance that under the *Nehmer* claims process if a Veteran dies while his claim is pending, surviving spouses are automatically substituted as the claimant or payee by virtue of being a class member entitled to retroactive compensation.
 | IV.ii.3.A.5.a |
| To add a new Block b providing guidance on what information to review to determine eligible survivor payees of a *Nehmer* class member. | IV.ii.3.A.5.b |
| To add a new Block c to relocate information from M21-1, Part IV, Subpart ii, 2.C.4.p related to the action to take when an appropriate survivor of a *Nehmer* class member cannot be located. | IV.ii.3.A.5.c |
| To add a new Block d to provide information on the requirement to document efforts taken to identify a potential *Nehmer* payee on *VA Form 21-0820, Report of General Information*. | IV.ii.3.A.5.d |
| * To add a new Block e to relocate information from M21-1, Part IV, Subpart ii, 2.C.4.q related to identifying other survivors of a *Nehmer* class member before awarding benefits.
* To add guidance on what information to request in a development letter to identify payees for retroactive benefits.
* To add guidance on what information to request if potential entitlement to burial benefits exists.
* To add guidance that proof of dependency is required before retroactive benefits may be paid and that once benefits have been awarded to a *Nehmer* payee no other payment should be made unless the payment previously released can be recovered.
 | IV.ii.3.A.5.e |
| To add a new Block f providing guidance on considering entitlement to additional allowances for a surviving spouse in *Nehmer* claims. | IV.ii.3.A.5.f |
| To add a new Block g to provide guidance on payment of Dependency and Indemnity Compensation (DIC) for a Veteran who died prior to January 1, 1993 | IV.ii.3.A.5.g |
| To add a new Block h to provide information on the authorization activity responsibility to determine the effective date to assign for DIC awards. | IV.ii.3.A.5.h |
| To add a new Block i to provide information on the authorization activity responsibility in claims involving $25,000 or more in retroactive payments. | IV.ii.3.A.5.i |
| To add a new Block j with guidance on when it is appropriate to collect old debts prior to releasing large retroactive payments under the *Nehmer* Court Order. | IV.ii.3.A.5.j |
| To add a new Block k to provide guidance on annotating awards for *Nehmer* retroactive payment. | IV.ii.3.A.5.k |
| To add a new Block l to provide information on the second signature requirement for *Nehmer* award actions. | IV.ii.3.A.5.l |

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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, DirectorCompensation Service |

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