



## **Accrued Benefits and Substitution**

### **What are Accrued Benefits?**

Accrued benefits are benefits that are due, but not paid prior to a Veteran's death.

Examples include:

1. A claim or appeal for a recurring benefit was pending at the time of death, but all evidence needed for a favorable decision was in VA's possession.
2. A claim for a recurring benefit had been allowed, but the beneficiary died before award.

At the time of death, one or more benefit checks were not deposited or negotiated.

### **Who is Eligible to Receive Accrued Benefits?**

VA pays accrued benefits based on the claimant's relationship to the deceased Veteran.

If there is no eligible living person, VA pays accrued benefits based on reimbursement.

### **Relationship**

Accrued benefits are paid to the first living person listed below:

<b>Relationship to the Deceased Veteran</b>	<b>Accrued Benefit</b>
Surviving spouse	Full amount to surviving spouse
Dependent children, including those between the ages of 18 and 23 who are attending school and those who are found helpless	Equal shares among children
Parents (both)	Equal shares, if parents are dependent at time of Veteran's death
Sole surviving parent	Full amount to surviving parent, if dependent

If the death is that of a surviving spouse, the accrued benefit is payable to the Veteran's children. However, accrued Dependent's Educational Assistance (DEA) is payable only as reimbursement on the expenses of last sickness and burial.

If the death is that of a child, the accrued benefit is payable to the surviving children of the Veteran. They must be entitled to death compensation, dependency and indemnity compensation, or death pension. There are two exceptions:

- If the deceased child was entitled to an apportioned share of the surviving spouse's award, the accrued benefit is payable only as a reimbursement. It can be used to reimburse expenses of the deceased child's last sickness or burial.
- 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 due prior to the commencement of DEA benefits.

The line of succession for accrued benefits is established by law. If a preferred beneficiary fails to file or prosecute a claim, payment is not permitted to a person with equal or lower preference. This also applies to a waiver of right to payment.

## **Reimbursement**

If there is no entitled living person based on relationship, VA will reimburse the person who paid for or was responsible for the Veterans last illness and burial expenses. If payments were made from the deceased beneficiary's estate, the executor of the estate should file the claim.

The amount payable as reimbursement is limited to the actual expenses paid. It is also limited to the accrued benefits available.

## **What is Substitution?**

Substitution is a type of accrued benefit. If a claimant dies during a pending claim or appeal, someone eligible to receive accrued benefits can act as substitute to complete the claim.

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

Choose a form below based on the following:

- Relationship:
  - VA Form 21P-601, “Application for Accrued Amounts Due a Deceased Beneficiary,” at <https://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21P-601-ARE.pdf>.
  - VA Form 21P-534EZ, “Application for Dependency and Indemnity Compensation, Death Pension and Accrued Benefits,” at <https://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21P-534EZ-ARE.pdf>.
  - VA Form 21P-535, “Application for Dependency and Indemnity Compensation by Parent(s) (Including Accrued Benefits and Death Compensation When Applicable),” at <https://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21P-535-ARE.pdf>.
  - VA Form 21P-0847, “Request for Substitution of Claimant Upon Death Claimant,” at <https://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21P-0847-ARE.pdf>.
- Reimbursement
  - VA Form 21P-601, “Application for Accrued Amounts Due a Deceased Beneficiary,” at <https://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21P-601-ARE.pdf>.

VA must receive an accrued benefits claim within one year of:

- The Veteran’s death and/or
- The date of notification to the Veteran

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