



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

December 11, 2008

The Honorable Daniel K. Akaka  
Chairman  
Committee on Veterans' Affairs  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

Thank you for your letter of December 5, 2008, bringing to my attention the problem with compensation payments to survivors for the month of the veteran's death. I agree that this problem must be fixed.

The Veterans Benefits Administration developed the enclosed action plan to address the issue. As you indicate in your letter, there are a number of actions that must be taken to eliminate the confusion and hardship resulting from our current procedures and ensure this benefit is provided to all eligible beneficiaries. Because the corrective actions required are complex, we anticipate some modifications to the plan may be necessary as we proceed. However, we will keep you updated on our progress.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Peake", is written over a horizontal line. The signature is stylized and cursive.

James B. Peake, M.D.

Enclosure

## Month-of-Death Payments to Survivors Action Plan

**A. Purpose:** This paper lays out the initial strategy to address the issue identified by the Chairman of the Senate Veterans' Affairs Committee regarding compensation payments to surviving spouses for the month of the veteran's death (as authorized by PL 104-275 § 506).

**B. Plan Development:** This plan reflects input from Compensation and Pension Service (C&P), Office of Resource Management (ORM), Program Analysis and Integrity (PA&I), Office of Business Process Integration (OBPI), and Office of Field Operations (OFO). This plan covers three areas labeled below as B1, B2, and B3:

B1. Identification of the population potentially eligible for the month-of-death benefit from enactment (12/31/96) and assess extent to which benefits have been provided.

B2. Interim procedures and actions to correctly provide the month-of-death benefit from this point forward, pending implementation of necessary system changes.

B3. System changes for first-notice-of-death and award processing.

### **B1. Identifying the Eligible Population**

The universe of surviving spouses potentially entitled to retroactive payment consists of surviving spouses of veterans who died after December 31, 1996.

- The benefit to be paid is the veteran's full entitlement for the month of his/her death
- The data sources to be utilized are
  - BDN terminated records
  - VETSNET terminated records
  - Historical MINI masters
  - Payment history files and fiscal transactions
  - Social Security Administration records

VA will conduct data extracts and matches to attempt to identify the extent to which the month-of-death benefit was correctly provided to surviving spouses of deceased veterans and assess the feasibility of identifying beneficiaries who may be entitled to a retroactive payment for month of death.

## **B2. Interim Month-of-Death Benefit Procedures Pending System Changes**

The following steps will be taken to ensure that future month-of-death benefits are correctly provided.

1. Additional instructions will be provided to all regional offices on the procedures to be followed for issuance of the month-of-death benefit. VA forms 21-534 (Application for Survivor Benefits), 21-530 (Application for Burial Benefits), 21-601 (Application for Accrued Benefits) and VA Form 2008 (Burial Flag application) will be for indications of a surviving spouse. Month-of-death benefits will be awarded to the surviving spouse if sufficient evidence is of record to establish relationship. Where there is insufficient evidence to establish an individual as a surviving spouse, development for entitlement will be initiated.
2. ORM will work with Debt Management Center to determine the feasibility of suspending/delaying collection action on debts established for reason code 22 (death).
3. ORM will work with Treasury to determine if any changes can/should be made to current Treasury guidance to financial institutions relating to return of all government payments issued after the date of death.

## **B3. System Changes**

VBA formed a work group to identify VETSNET system changes to automatically pay the veteran's rate for the month of death where a spouse is on the record at the time of termination. The system changes will also direct the issuance of a letter to the survivor that she/he is entitled to the veteran's rate for month of death and that this payment constitutes that payment. It will further indicate that, should the survivor establish entitlement to survivor benefits from the first of the month of the veteran's death, the amount already paid will be deducted from any entitlement established.

Where the system does not contain dependency data upon which to base payment, we propose to maintain the current policy of terminating from the first of the month of death and have the system issue a letter to the estate of the veteran advising of the availability of this benefit if a surviving spouse exists. Payment would then be made if a spouse identifies himself or herself.

## **C. Timeline**

<b>Task</b>	<b>Date</b>
Issue month-of-death processing guidance to ROs and DMC	December 19, 2008

Develop files from VETSNET and BDN of potential beneficiaries	January 2, 2009
Assess DMC debt collection process and potential for modification	January 2, 2009
Coordinate with Treasury	January 16, 2009
Complete data analysis / assess extent of compliance	January 16, 2009
Determine feasibility of identifying retroactive beneficiaries	February 1, 2009
Finalize functional requirements for system changes	February 1, 2009
Schedule system changes	April, 1, 2009