Department of Veterans Affairs

§ 13.56 Direct payment.

(a) Veterans. Department of Veterans Affairs benefits payable to a veteran rated incompetent may be paid directly to the veteran in such amount as the Veterans Service Center Manager determines the veteran is able to manage with continuing supervision by the Veterans Service Center Manager, provided a fiduciary is not otherwise required. If it is determined that an amount less than the full entitlement is to be paid, such payment shall be for a limited period of time, generally 6 months, but in no event to exceed 1 year, after which full payment will be made and any funds withheld as a result of this section will be released to the veteran, if not otherwise payable to a fiduciary.

(b) Other adults. Department of Veterans Affairs benefits payable to an adult beneficiary who has been rated or judicially declared incompetent may be paid directly to the adult in such amount as the Veterans Service Center Manager determines the beneficiary is able to manage with continuing supervision by the Veterans Service Center Manager, provided a fiduciary is not otherwise required. If it is determined that an amount less than the full entitlement is to be paid, such payment shall be for a limited period of time, generally 6 months, but in no event to exceed 1 year, after which full payment will be made and any funds withheld as a result of this section will be released to the beneficiary, if not otherwise payable to a fiduciary.

(c) Minors. Department of Veterans Affairs benefits payable to a minor:

(1) May be paid direct when:

(i) Arising in connection with a program of education or training under 38 U.S.C. ch. 35.

(ii) The Veterans Service Center Manager determines it would be in the minor’s best interests.

(2) Will be paid direct when:

(i) The beneficiary’s only legal disability is minority and he or she is in active military, naval, or air service, or the widow or widower of a veteran.

(ii) The minor is deemed otherwise emancipated under State law.

§ 13.57 Payment to the wife or husband of incompetent veteran.

Compensation, pension or emergency officers’ retirement pay of a veteran rated or judicially declared incompetent, may be paid to the veteran’s spouse, provided the spouse is qualified to administer the funds payable and agrees to use the amounts paid for the veteran and the veteran’s dependents, if any.

§ 13.58 Legal custodian.

(a) Authority. The Veterans Service Center Manager is authorized to make determinations as to the person or legal entity to be appointed legal custodian to receive Department of Veterans Affairs payments on behalf of a beneficiary who is incompetent or under legal disability by reason of minority or court action. In the absence of special circumstances, the person or legal entity to be appointed legal custodian will be the person or legal entity caring for and/or having custody of the beneficiary or the beneficiary’s estate.

(b) Payment to. Department of Veterans Affairs benefits may be paid to a legal custodian subject to the following conditions:

(1) The Veterans Service Center Manager has determined that it would be in the best interests of the beneficiary to appoint a legal custodian.

(2) The proposed legal custodian is qualified to administer the benefits payable and will agree to:

(i) Apply the benefits paid for the best interests of the beneficiary,
§ 13.59 Court-appointed fiduciary.
(a) Payment to. Any Department of Veterans Affairs benefit may be paid to the fiduciary appointed by a State court for a beneficiary who is a minor, or incompetent or under other legal disability adjudged by a court of competent jurisdiction. Formal or informal accountings may be required from such fiduciaries, with or without judicial proceedings.

(b) Veterans Service Center Manager’s responsibility. The Veterans Service Center Manager shall: (1) Determine and recommend to the Regional Counsel the person or legal entity best fitted for appointment as State court fiduciary for the particular beneficiary. Necessary legal action will be taken by the Regional Counsel.
(2) Upon advice from the Regional Counsel that the fiduciary has been appointed, issue appropriate certification thereof so that payment of benefits can be made to such fiduciary.

§ 13.61 Payment to the chief officer of institution.
The Veterans Service Center Manager may authorize the payment of all or part of the pension, compensation or emergency officers’ retirement pay payable in behalf of a veteran rated incompetent by the Department of Veterans Affairs to the chief officer of the institution wherein the veteran is being furnished hospital treatment or institutional, nursing or domiciliary care, for the veteran’s use and benefit, when the Veterans Service Center Manager has determined such payment (called an institutional award) will adequately provide for the needs of the veteran and obviate need for appointment of another type of fiduciary.

§ 13.62 Payment to bonded officer of Indian reservation.
Any benefits due an incompetent adult or minor Indian, who is a recognized ward of the Government, may be awarded to the superintendent or other bonded officer designated by the Secretary of the Interior to receive funds under 25 U.S.C. 14.

§ 13.63 Payment to custodian-in-fact.
All or any part of a benefit due a minor or incompetent adult, payment of which is suspended or withheld because payment may not be properly made to an existing fiduciary, may be paid temporarily to the person having custody and control of the beneficiary.

§ 13.64 Fiduciary commissions.
Generally, a VA appointed fiduciary is to be encouraged to serve without fee.
(a) Authority. The Veterans Service Center Manager is authorized to determine when a commission is necessary in order to obtain the services of a fiduciary, except that the Veterans Service Center Manager may not authorize a commission to a fiduciary who receives any other form of remuneration or payment in connection with rendering fiduciary services on behalf of the beneficiary. Necessity is established only if the beneficiary’s best interest would be served by the appointment of a qualified professional, or, if a qualified professional is not available, the proposed fiduciary is the only qualified person available and is not willing to serve without a fee.
(b) Amount; notice to beneficiary. The Veterans Service Center Manager shall authorize a fiduciary to whom a commission is payable under paragraph (a) of this section to deduct from the beneficiary’s estate a reasonable commission for fiduciary services rendered. The commission for any year may not