(2) For any period of time if a child was born of the marriage, or was born to them before the marriage.

(Authority: 38 U.S.C. 1318)

(e) **Effect of judgment or settlement.** If a surviving spouse or child eligible for benefits under paragraph (a) of this section receives any money or property pursuant to a judicial proceeding based upon, or a settlement or compromise of, any cause of action or other right of recovery for damages for the death of the veteran, benefits payable under paragraph (a) of this section shall not be paid for any month following the month in which such money or property is received until the amount of benefits that would otherwise have been payable under paragraph (a) of this section equals the total of the amount of money received and the fair market value of the property received. The provisions of this paragraph do not apply, however, to any portion of such benefits payable for any period preceding the end of the month in which such money or property of value is received.

(Authority: 38 U.S.C. 501)

(f) **Social security and worker’s compensation.** Benefits received under social security or worker’s compensation are not subject to recoupment under paragraph (e) of this section even though such benefits may have been awarded pursuant to a judicial proceeding.

(g) **Beneficiary’s duty to report.** Any person entitled to benefits under paragraph (a) of this section shall promptly report to the Department of Veterans Affairs the receipt of any money or property received pursuant to a judicial proceeding based upon, or a settlement or compromise of, any cause of action or other right of recovery for damages for the death of the veteran. The amount to be reported is the total of the amount of money received and the fair market value of the property received. Expenses incident to recovery, such as attorney’s fees, may not be deducted from the amount to be reported.

(h) **Relationship to survivor benefit plan.** For the purpose of 10 U.S.C. 1448(d) and 1450(c) eligibility for benefits under paragraph (a) of this section shall be deemed eligibility for dependency and indemnity compensation under 38 U.S.C. 1311(a).

(Authority: 38 U.S.C. 1318)

CROSS REFERENCES: Marriage dates. See §3.54. Homicide. See §3.11.

reduced by the amount of the countable annual income of the veteran or surviving spouse.

(Authority: 38 U.S.C. 1521, 1541)

(c) Mexican border period and World War I veterans. The applicable maximum annual rate payable to a Mexican border period or World War I veteran under this section shall be increased by the amount specified in 38 U.S.C. 1521(g), as increased from time to time under 38 U.S.C. 5312. Each time there is an increase under 38 U.S.C. 5312, the actual rate will be published in the "Notices" section of the FEDERAL REGISTER.

(Authority: 38 U.S.C. 1521(g))

(d) Definitions of terms used in this section—
1. Dependent. A veteran’s spouse or child. A veteran’s spouse who resides apart from the veteran and is estranged from the veteran may not be considered the veteran’s dependent unless the spouse receives reasonable support contributions from the veteran. (Note that under §3.60 a veteran and spouse who reside apart are considered to be living together unless they are estranged.) A child of a veteran not in custody of the veteran and to whose support the veteran is not reasonably contributing, may not be considered the veteran’s dependent.

(Authority: 38 U.S.C. 1521(b))

2. In need of aid and attendance. As defined in §3.351(b).

3. Housebound. As defined in §3.351(d)(2), (f). This term also includes a veteran who has a disability or disabilities evaluated as 60 percent or more disabling in addition to a permanent and totally disabling condition. See §3.351(d)(1).

4. Veteran’s annual income. This term includes the veteran’s annual income, the annual income of the veteran’s dependent spouse, and the annual income of each child of the veteran (other than a child for whom increased pension is not payable under 38 U.S.C. 1522(b)) in the veteran’s custody or to whose support the veteran is reasonably contributing (to the extent such child’s income is reasonably available to or for the veteran, unless in the judgment of the Department of Veterans Affairs to do so would work a hardship on the veteran.) There is a rebuttable presumption that all of such a child’s income is reasonably available to or for the veteran.

(Authority: 38 U.S.C. 1521(c), (h))

5. Surviving spouse’s annual income. This term includes the surviving spouse’s annual income and the annual income of each child of the veteran (other than a child for whom increased pension is not payable under 38 U.S.C. 1543(a)(2)) in the custody of the surviving spouse to the extent that such child’s income is reasonably available to or for the surviving spouse, unless in the judgment of the Department of Veterans Affairs to do so would work a hardship on the surviving spouse. There is a rebuttable presumption that all of such a child’s income is available to or for the surviving spouse.

(Authority: 38 U.S.C. 1541(c), (g))

6. Reasonable availability and hardship. For the purposes of paragraphs (d)(4) and (d)(5) of this section, a child’s income shall be considered "reasonably available" when it can be readily applied to meet the veteran’s or surviving spouse’s expenses necessary for reasonable family maintenance, and "hardship" shall be held to exist when annual expenses necessary for reasonable family maintenance exceed the sum of countable annual income plus VA pension entitlement. Expenses necessary for reasonable family maintenance include expenses for basic necessities (such as food, clothing, shelter, etc.) and other expenses, determined on a case-by-case basis, which are necessary to support a reasonable quality of life.

(Authority: 38 U.S.C. 501)

Cross References: Improved pension. See §3.1(w). Child. See §3.57(d). Definition of living with. See §3.60. Exclusions from income. See §3.272.