

What Is Dependency and Indemnity Compensation?



Dependency and Indemnity Compensation (DIC) is a tax-free monthly benefit paid to the eligible survivors of servicemembers who died in the line of duty or of veterans who died as a result of a service-related injury or illness. DIC rates are protected against inflation with an annual cost-of-living adjustment.

How is eligibility determined for DIC?

If you are the surviving spouse, child, or parent of a deceased servicemember or veteran, you may be [eligible for DIC](#). However, for surviving family members to be eligible, one of the following must be true about the death of the servicemember or veteran:

- A servicemember must have died while on active duty *or* during active or inactive duty training.
- A veteran must have died from a service-related illness or injury.
- A veteran did not die from a service-related illness or injury but was rated totally disabled or totally disabled for individual unemployability and met one of the following minimum time periods:
 - The veteran must have maintained this rating for at least 10 years immediately preceding their death, *or*
 - The veteran received this rating at the time of release from active duty and maintained it for at least five years immediately preceding their death, *or*
 - The veteran maintained this rating for at least one year prior to their death *if* they were a former prisoner of war who died after September 30, 1999.

Furthermore,

If you are a surviving spouse:

- You must have lived with the servicemember or veteran until their death or, if separated, were not at fault, *and*



- You must have married the servicemember or veteran within 15 years of their discharge from the period of service during which the illness or injury started or worsened, *or*
- You must have gotten married at least one year prior to the servicemember's or veteran's death, *or*
- You must have had a child with the servicemember or veteran.

Eligible beneficiaries can keep the DIC benefit if they remarry provided they meet age eligibility rules. As of January 5, 2021, remarriage after age 55 allows the beneficiary to keep the benefit. For a remarriage between December 16, 2003, and January 4, 2021, the recipient had to be at least 57 years old to keep the DIC benefit.

If you are a surviving child:

- You must be unmarried, *and*
- You must be under age 18 or, if you are in school, under age 23, *or*
- You must have been declared incapable of self-support before the age of 18.

If you are a surviving parent:

- You must be the biological or adoptive parent, or served in the role of a parent, of the servicemember or veteran, *and*
- You must meet [income requirements](#).

How do you apply for DIC?

Eligible beneficiaries must complete an application form and submit the requested supporting documents to the Department of Veterans Affairs or your local VA pension management center. As a [Veterans Service Organization](#), Navy Mutual has a dedicated veterans services department with individuals who can help you understand VA programs and your benefits, as well as submit your application on your behalf.

- If you are the surviving spouse or child of a servicemember who died while serving on active duty, you will need to submit [VA Form 21P-534a](#).
- If you are the surviving spouse or child of a veteran, you will need to submit [VA Form 21P-534EZ](#).
- If you are the surviving parent of a servicemember or veteran, you will need to submit [VA Form 21P-535](#).

What are the DIC rates for survivors?

If the servicemember or veteran died on or after January 1, 1993:

- Surviving spouses are eligible to receive a monthly payment of \$1,437.66.
- Children's benefits are dependent on family circumstances:
 - If there is an eligible surviving spouse and eligible children, each child under the age of 18 is eligible to receive \$356.16 per month. Each unmarried child between 18 and 23 years old who is enrolled in a qualified school program is eligible to receive \$301.74 per month.
 - If there is no surviving spouse and one dependent child under the age of 18 or one child between 18 and 23 years old who is enrolled in a qualified school program, the child is eligible to receive \$607.02 per month.



- If there is no surviving spouse and more than one eligible child (under the age of 18, or 23 if enrolled in a qualified school program), the rate per child is dependent on the number of eligible children. Monthly payments per child range from \$436.62 (two eligible children) to \$270.97 (nine eligible children).
- If there is an adult child who is permanently disabled, and that disability occurred before the age of 18, that child is eligible to receive \$607.02 per month for the remainder of their life, regardless of whether there is an eligible surviving spouse or not.

In some cases, surviving spouses and children may be eligible for added amounts. To learn more about the qualifications for additional benefits, click [here](#). Rates listed above are effective December 1, 2021.

What is the Survivor Benefit Plan?

The [Survivor Benefit Plan](#) (SBP) is a government-subsidized, monthly income annuity provided to eligible beneficiaries when a servicemember passes away. Since military retirees receive a monthly pension for life – which stops upon their death – the Survivor Benefit Plan offers a way to preserve part of that monthly income for a beneficiary. Unlike DIC, SBP benefits are taxable income for beneficiaries.

Participation is free and automatic while servicemembers are on active duty, but to continue the coverage into their retirement, servicemembers must elect to continue participating in the Survivor Benefit Plan by their last day on active duty and begin paying premiums. Premiums are taken out of a retiree's monthly pension until they have completed 30 years of payments *and* turned 70 years old.

After the retiree's death, regardless of whether they have made all 30 years of payments, premiums stop and monthly benefit payments to the designated beneficiary begin. Depending on the circumstances of the retiree's death, it is possible that a beneficiary could be eligible to receive benefits under both the Survivor Benefit Plan and Dependency and Indemnity Compensation.

Can you collect both DIC and SBP benefits at the same time?

Currently, you cannot receive the full benefit amount for both programs at the same time. This is because of the Dependency and Indemnity Compensation Offset, also known as the "Widow's Tax."

Prior to January 2021, if you were eligible for both DIC and SBP, the Defense Finance and Accounting Service reduced your monthly SBP payment by the amount of DIC for which you are eligible. If your DIC payment was greater than your monthly SBP payment, you stopped receiving SBP payments altogether. Survivors subjected to this offset were granted Special Survivor's Indemnity Allowance (SSIA), a taxable benefit intended to restore part of the monthly payment that was not paid due to the offset.

However, due to a change in legislation, the Widow's Tax is being slowly phased out. The offset of SBP payments began phasing out starting in January 2021, meaning survivors saw the change reflected in their February 2021 payment. The first phase restores one-third of the offset amount. In January 2022, two-thirds of the offset amount will be restored. The phase out will be completed in January 2023, when the final third of the offset amount is restored. Once the phase out is complete, the SSIA benefit will be discontinued. To learn more about the repeal of the Widow's Tax, click [here](#).

For additional information on Dependency and Indemnity Compensation, the Survivor Benefit Plan, or Special Survivor's Indemnity Allowance, contact our Education and Veterans Services Department at [\(888\) 298-4442](tel:888-298-4442).