PART 10—ADJUSTED COMPENSATION

ADJUSTED COMPENSATION; GENERAL

§ 10.0 Adjusted service pay entitlements.
A veteran entitled to adjusted service pay is one whose adjusted service credit does not amount to more than $50 as distinguished from a veteran whose adjusted service credit exceeds $50 and who therefore is entitled to an adjusted service certificate.

§ 10.1 Issuance of duplicate adjusted service certificate without bond.
If the veteran named in an adjusted service certificate issued pursuant to the provisions of section 501 of the World War Adjusted Compensation Act, without bad faith, has not received such certificate, or if prior to receipt by the veteran such certificate was destroyed wholly or in part or was so defaced as to impair its value, or, if after delivery it was partially destroyed or defaced so as to impair its value but can be identified to the satisfaction of the Secretary, a duplicate adjusted service certificate will be issued upon application and a bond of indemnity will not be required:
Provided, That if the adjusted service certificate was destroyed wholly or in part or was so defaced as to impair its value, the veteran or person entitled to payment thereon will be required to surrender to the Department of Veterans Affairs the original certificate or so much thereof as may remain.

§ 10.2 Evidence required of loss, destruction or mutilation of adjusted service certificate.

§ 10.3 Issuance of duplicate adjusted service certificate with bond.

§ 10.4 Loss, destruction, or mutilation of adjusted service certificate while in possession of Department of Veterans Affairs.

§ 10.15 Designation of more than one beneficiary under an adjusted service certificate.

§ 10.16 Conditions requisite for change in designation of beneficiary.

§ 10.17 Designation of beneficiary subsequent to cancellation of previous designation.

§ 10.18 Approval of application for change in designation of beneficiary.

§ 10.19 Demand for payment certification.

§ 10.20 Payment to estate of decedent.

§ 10.21 Payment of death claim on lost, destroyed or mutilated adjusted service certificate with bond.

§ 10.22 Payment of death claim on adjusted service certificate without bond.

§ 10.23 Definitions.

§ 10.24 Proof of death evidence.

§ 10.25 Claims for benefits because of elimination of preferred dependent.

§ 10.26 Evidence of remarriage.

§ 10.27 Evidence of age of dependent mother or father.

§ 10.28 Determination of dependency.

§ 10.29 Proof of age of dependent mother or father.

§ 10.30 Claim of mother entitled by reason of unmarried status.

§ 10.31 Proof of marital cohabitation under section 602 or section 312 of the Act.

§ 10.32 Claim of widow not living with veteran at time of veteran’s death.

§ 10.33 Evidence required to support claim of mother or father.

§ 10.34 Definition of child’s.

§ 10.35 Claim of child other than legitimate child.

§ 10.36 Claim by guardian of child of veteran.

§ 10.37 Evidence required to support claim of mother or father.

§ 10.38 Definition of widow.

§ 10.39 Authentication of statements supporting claims.

§ 10.40 Use of prescribed forms.

§ 10.41 Payment on account of minor child.

§ 10.42 Claim of child other than legitimate child.

§ 10.43 Evidence required to support claim of mother or father.

§ 10.44 Definition of child.

§ 10.45 Use of prescribed forms.

PAYMENTS

§ 10.50 Section 601 and section 603 payments made on first day of calendar quarter.
the loss or destruction in whole or in part of defacement of the certificate after its receipt, as the case may be. The evidence must be sufficient to establish to the satisfaction of the Secretary that neither the veteran nor the person entitled to payment thereon, or any person for or on their behalf, received the adjusted service certificate, or that at the time of its receipt it was mutilated or defaced to such an extent as to impair its value, or that after receipt of the certificate it was lost or destroyed in whole or in part or defaced, but without bad faith on the part of the veteran, and that every effort has been made to recover the lost certificate. Unless determination is otherwise made by the Secretary the evidence must be in the form of a written statement sworn to by the veteran or person entitled to payment thereon and witnessed by at least two persons who shall state, under oath that they personally know the affiant, that they have read his or her statement and that it is true to the best of their knowledge and belief. These statements should be supplemented by affidavits of any persons having personal knowledge of additional facts and circumstances concerning the matter, and the Secretary may require any additional evidence deemed necessary.

§ 10.3 Issuance of duplicate adjusted service certificate with bond.

An indemnity bond will be required as a prerequisite to the issuance of a duplicate adjusted service certificate in all cases where the certificate was lost after receipt by the veteran, or after receipt by the veteran was defaced or mutilated and cannot be identified to the satisfaction of the Secretary, provided the loss, defacement, or mutilation was without bad faith on the part of the veteran or the person entitled to payment thereon. The bond must be in the manner and form prescribed by the Department of Veterans Affairs and for an amount equal to the face value of the certificate, with surety or sureties residents of the United States and satisfactory to the Secretary, with condition to indemnify and save harmless the United States from any claim on account of such certificate. If the certificate was defaced or mutilated the veteran or person entitled to payment thereon will be required to surrender to the Department of Veterans Affairs the certificate or so much thereof as may remain.

§ 10.4 Loss, destruction, or mutilation of adjusted service certificate while in possession of Department of Veterans Affairs.

A new adjusted service certificate will be issued without bond in lieu of the certificate which has been lost or destroyed, or has been mutilated, defaced or damaged so as to impair its value, while in possession of the Department of Veterans Affairs.

§ 10.15 Designation of more than one beneficiary under an adjusted service certificate.

A veteran to whom an adjusted service certificate has been issued pursuant to the provisions of section 501 of the World War Adjusted Compensation Act may name more than one beneficiary to receive the proceeds of his adjusted service certificate, and may from time to time with the approval of the Secretary change such beneficiaries. The designated beneficiaries shall share equally unless otherwise specified by the veteran. Wherever the word beneficiary appears in the law and Department of Veterans Affairs regulations it shall be interpreted to include beneficiaries.

§ 10.16 Conditions requisite for change in designation of beneficiary.

A change of beneficiary of an adjusted service certificate to be valid must be made:

(a) By notice signed by the veteran or his duly authorized agent, and delivered or properly mailed to the Department of Veterans Affairs during the lifetime of the veteran. Such change shall not take effect until approved by the Secretary and after such approval the change shall be deemed to have been made as of the date the veteran signed said written notice and change, whether the veteran be living at the time of said approval or not.

(b) Or by last will and testament of the veteran, duly probated. Such change shall not be effective until received by the Department of Veterans Affairs and approved by the Secretary.
§ 10.17 Designation of beneficiary subsequent to cancellation of previous designation.

The designation of a beneficiary made subsequent to the cancellation of a previous designation of beneficiary, shall be considered as a change in beneficiary, and shall be subject to the approval of the Secretary and subject to the conditions and requirements respecting change in beneficiary as outlined in §10.16.

§ 10.18 Approval of application for change of beneficiary heretofore made.

Any application for a change of beneficiary heretofore made may be approved if it meets the requirements set out in §§10.16 and 10.17.

§ 10.20 “Demand for payment” certification.

Certification to the execution of demand for payment forms appearing on the reverse side of adjusted service certificates issued pursuant to the World War Adjusted Compensation Act, as amended, is required in accordance with instructions printed on said forms. Such certification if made in the United States or possessions will be accepted if made by and bearing the official seal of a United States postmaster, an executive officer of an incorporated bank or trust company, notary public, or any person who is legally authorized to administer oaths in a State, Territory, District of Columbia or in a Federal judicial district of the United States. If the demand for payment be executed in a foreign country, the same shall be certified by an American consul, a recognized representative of an American embassy or legation or by a person authorized to administer oaths under the laws of the place where execution of demand is made, provided there be attached to the certificate of such latter officer a proper certification by an accredited official of the State Department of the United States that the officer certifying to the execution of the demand for payment was authorized to administer oaths in the place where certification was made.

§ 10.22 Payment to estate of decedent.

Wherever the face value of an adjusted service certificate, issued pursuant to the World War Adjusted Compensation Act, as amended, becomes payable to the estate of any decedent and the amount thereof is not over $500 and an administrator has not been or is not to be appointed, such amount will be paid to such person or persons as would, under the laws of the State of residence of the decedent, be entitled to his personal property in case of intestacy.

§ 10.24 Payment of death claim on lost, destroyed or mutilated adjusted service certificate with bond.

If the veteran named in an adjusted service certificate, issued pursuant to the provisions of section 501 of the World War Adjusted Compensation Act, is deceased, and if, after receipt by the veteran, the adjusted service certificate was lost, destroyed, or so defaced as to impair its value and cannot be identified to the satisfaction of the Secretary of Veterans Affairs, the person entitled to payment thereon will be required to furnish an indemnity bond in the manner and form prescribed by the Department of Veterans Affairs and for an amount equal to the face value of the certificate, with surety or sureties residents of the United States and satisfactory to the Secretary of Veterans Affairs with condition to indemnify and save harmless the United States from any claim on account of such certificate, before payment will
§ 10.25 Payment of death claim on adjusted service certificate without bond.

If the veteran named in the adjusted service certificate, issued pursuant to the provisions of section 501 of the World War Adjusted Compensation Act, is deceased, and if the certificate was lost or destroyed wholly or in part or was so defaced as to impair its value prior to receipt by the veteran, or was partially destroyed or defaced after receipt by the veteran, but can be identified to the satisfaction of the Secretary of Veterans Affairs, payment will be made of the proceeds of the certificate, a bond of indemnity will not be required, and a duplicate adjusted service certificate will not be issued: \textit{Provided}, the person entitled to payment thereon surrenders the defaced or mutilated certificate or so much thereof as may remain.

§ 10.27 Definitions.

For the purpose of §§10.28 to 10.47, the word \textit{Act} as used herein refers to the World War Adjusted Compensation Act, as amended; the word \textit{Veteran} refers to that term as defined in section 2 of title I of said Act; the word \textit{Director} refers to the Secretary of Veterans Affairs.

§ 10.28 Proof of death evidence.

Evidence required in establishing proof of death under the act, as amended, shall conform with the requirements set forth in the regulations of the Department of Veterans Affairs.

§ 10.29 Claims for benefits because of elimination of preferred dependent.

A dependent, in subsequent position in the order of preference as defined in section 601 of title VI of the Act, as amended, who makes claim for the benefits of the Act in consequence of the death of a dependent who made application and who stood in preferential position as defined in section 601 of the act, as amended, shall be required to furnish, in support of such claim, proof of death of said dependent. Proof of death of said dependent shall be in accordance with the requirements for proof of death as outlined in the regulations of Department of Veterans Affairs. A dependent who makes claim for the benefits of the act because of remarriage of a widow who did not make and file application before remarriage shall be required to furnish in support of such claim proof of remarriage of said widow. Proof of remarriage of said widow shall be in accordance with the requirements for proof of remarriage as outlined in regulations of the Department of Veterans Affairs.

§ 10.30 Proof of remarriage.

A dependent who is receiving payments under section 601 of title VI of the Act, as amended, and who remarries after making and filing application, shall be required to furnish proof of remarriage in accordance with the requirements for proof of remarriage as outlined in regulations of the Department of Veterans Affairs.

§ 10.31 Dependency of mother or father.

Claims of a mother or father for the benefits to which either may be entitled under the World War Adjusted Compensation Act, as amended, shall be supported by a statement of fact of dependency made under oath by the claimant and witnessed by two persons.

§ 10.32 Evidence of dependency.

Evidence of a whole or entire dependency shall not be required. The mother or father shall be considered dependent for the purposes of the act when it is established as a fact that the mother or father of a deceased veteran did not have sufficient means from all sources for a reasonable livelihood at the time of the death of the veteran or at any time thereafter and on or before January 2, 1935. In those cases where because of continued and unexplained absence for seven years the veteran is declared deceased under section 312(a) of the Act as amended May 29, 1926, the mother or father shall be considered dependent when it is established that the mother or father did not have sufficient means from all sources for a reasonable livelihood at the beginning of such 7-year period or at any time
§ 10.33 Determination of dependency.

A determination of the existence of the alleged dependency will be made upon consideration of all facts relating to dependency, and upon such investigation of such facts as may be warranted. The following facts as existing at the time of the death of the veteran, or at any time thereafter and on or before January 2, 1935, or where it is established that the veteran is deceased as provided in section 312(a), at the beginning of such 7-year period or at any time thereafter and before the expiration of such period, shall be taken into consideration in determining dependency in a given case:

(a) Claimant's age.
(b) Amount contributed to claimant by deceased veteran.
(c) Value of all real and personal property owned by claimant.
(d) Total monthly expenses of the claimant and total monthly income.
(e) The fact that claimant did or did not receive an allotment of pay or allowance during the veteran’s military or naval service.
(f) Incapability of self-support by reason of mental or physical defect.
(g) Any other fact or facts pertinent to the determination of dependency.

§ 10.34 Proof of age of dependent mother or father.

The mother or father of a veteran to be entitled to the presumption of dependency within the meaning of section 602(c) or section 312(c) of the Act, as amended, shall be required to submit proof of age in accordance with the requirements as set forth in regulations of the Department of Veterans Affairs.

§ 10.35 Claim of mother entitled by reason of unmarried status.

Claim of a mother for the benefits to which she may be entitled by reason of her unmarried status as outlined in section 202(c) or section 312(c)3 of the Act, as amended, shall be supported by a statement of fact, under oath, of such status, together with one of the following:

(a) Certified copy of public record of death of the husband.
(b) Certified copy of court record of divorce decree.

§ 10.36 Proof of marital cohabitation under section 602 or section 312 of the Act.

In order to prove marital cohabitation within the meaning of that term as used in section 602(a) or section 312(c)1 of the Act, as amended, claimant shall be required to establish:

(a) A valid marriage, such marriage to be shown by the best evidence obtainable in accordance with the provisions of regulations of the Department of Veterans Affairs.
(b) The fact of living together as man and wife, with such fact to be established by:
   (1) Statement of the widow or widower showing that he or she and the veteran lived together as man and wife and also showing the place or places of residence during such marital cohabitation and the approximate time of such residence; or
   (2) Statement of two competent persons showing that they personally knew the claimant and veteran and that they had personal knowledge that said claimant and veteran lived together as man and wife and were recognized as such.
(c) The fact that the marital status existed at the time of the death of the veteran or where it is established that the veteran is deceased, as provided in section 312(a)1 of the Act, as amended, at the beginning of such 7-year period, such fact to be established by:
   (1) Statement by claimant that he or she and the veteran had not been divorced and that there had been no annulment of the marriage.
   (2) Statement of claimant that he or she was not remarried at the time of making application.
   (3) Statement of two competent persons showing that they personally knew the claimant and the veteran; that they personally knew of the marriage relationship between claimant and veteran; that to the best of their knowledge and belief there had been no
divorce and no annulment of the marriage and that claimant was not remarried at the time of making and filing application.

§ 10.37 Claim of widow not living with veteran at time of veteran's death.

If a veteran and widow were not living together at the time of the death of the veteran the widow will be required to establish:
(a) That the living apart was not due to her willful act, and
(b) Actual dependency upon the veteran at the time of his death or at any time thereafter and before January 2, 1935.

(1) A determination of what shall constitute a willful act, as used in section 602(a) of the Act, as amended, will be made upon consideration of all facts relating to such act and upon such investigation of such facts as may be deemed warranted. For the purpose of this section, the fact that a veteran lived apart from the widow because of any act by the widow involving desertion or moral turpitude will be construed as the willful act of the widow. Cause of separation and time and duration of separation at the time of the death of the veteran shall be taken into consideration in determining a willful act.

(2) A determination of the existence of actual dependency will be made under the criteria set forth in §§10.32 and 10.33 with respect to dependency of a mother or father.

§ 10.38 Proof of age of veteran’s child.

A child of a veteran shall be required to submit proof of age in accordance with the requirements set forth in the regulations of the Department of Veterans Affairs.

§ 10.39 Mental or physical defect of child.

If claim is made under section 602(b), (2), of title IV of the Act as amended, alleging that a child over 18 years of age was incapable of self-support at the time of the death of the veteran or that he became incapable of self-support subsequent to the death of the veteran but on or before January 2, 1935, or that he was incapable of self-support at the disappearance of the veteran or became incapable of self-support after the disappearance of the veteran and before the expiration of the period of seven years mentioned in section 312(c), (2), of the Act, it will be necessary to furnish evidence as to the mental or physical condition of the child at the time it is alleged he became incapable of self-support.

(a) Where incapability of self-support by reason of the mental defect of the child is alleged, the following evidence will be required:
(1) Certified copy of court order or decree declaring the child to be mentally incompetent; or
(2) A report of a licensed physician setting forth all of the facts as to the child’s mental condition; or
(3) The affidavit of the person having custody and control of the child, setting forth all of the available information as to the child’s mental condition. The affidavit must be substantiated by two competent disinterested persons who shall state that they personally know the child, that they have read the affidavit made by the person having custody and control of the child, and that the information therein set forth is true to the best of their knowledge and belief.

(b) Where incapability of self-support by reason of physical defect of the child is alleged, the following evidence will be required:
(1) Report of a licensed physician setting forth all of the facts as to the child’s physical condition; and
(2) Affidavit of the child regarding his physical condition and the affidavits of two competent disinterested persons, who shall state that they personally know the claimant, that they have read his affidavit and that the same is true to the best of their knowledge and belief.

§ 10.40 Payment on account of minor child.

Payments to a minor child shall be made to the legally constituted guardian, curator or conservator, or to the person found by the director to be otherwise legally vested with the care of the child.
§ 10.41 Definition of "child".

The term child as used in the regulations in this part includes:
(a) A legitimate child;
(b) A child legally adopted;
(c) A stepchild if a member of the veteran’s household at the time of the death of the veteran, or
(d) An illegitimate child but as to the father only if acknowledged in writing signed by him, or if he has been judicially ordered or decreed to contribute to such child’s support or has been judicially decreed to be the putative father of such child.

§ 10.42 Claim of child other than legitimate child.

A claim of a child legally adopted by the veteran upon whose service the claim is based shall be supported by a certified copy of the court record of such adoption. A claim of a stepchild of a veteran shall be supported by an affidavit of his or her legal guardian, stating that at the time of the death of the veteran said stepchild was a member of the veteran’s household. The fact, as stated in such affidavit, and the signature of the guardian thereto, shall be attested by the court having jurisdiction over the guardian, or by two competent persons to whom the child was personally known at the time of the death of the veteran. A claim of an illegitimate child of a veteran upon whose service claim is based, shall be supported by:
(a) A statement by the veteran in writing acknowledging his parentage of such child; or
(b) Certified copy of order or decree of a court ordering the veteran to contribute to such child’s support; or
(c) Certified copy of a decree of a court holding the veteran to be the putative father of such child.

§ 10.43 Claim by guardian of child of veteran.

A claim made by a legal guardian on behalf of his or her ward, a child of a veteran, shall be supported by an affidavit of said guardian, in the capacity of guardian, setting forth the names, ages, and addresses of all living children of the deceased veteran, or, if there be no living child other than the claimant child, statement of that fact shall be made. The signature of the guardian to such required affidavit shall be attested by the court having jurisdiction of the guardian and ward, or by two competent persons to whom the child is personally known.

§ 10.44 Evidence required to support claim of mother or father.

The term mother and father as referred to in the order of preference as outlined in section 601 of the Act, as amended, includes stepmothers, stepfathers, mothers and fathers through adoption, and persons who, for a period of not less than one year, have stood in the place of a mother or father to the veteran at any time prior to the beginning of his service. In addition to the evidence of dependency required from a natural mother or father, a claim of a stepmother or stepfather shall be supported by evidence of marriage to the natural parent of the veteran. This evidence shall be in accordance with the requirements of proof of marriage as set forth in regulations of the Department of Veterans Affairs. A claim of a mother or father through adoption shall be supported by a certified copy of the court record of such adoption. A claim by a person who claims to have stood in the place of a mother or father shall be supported by evidence of such relationship satisfactory to the Department of Veterans Affairs. Such evidence shall comprise:
(a) An affidavit of the claimant containing a complete detailed statement of the alleged relationship and
(b) Affidavits of two competent witnesses to whom claimant was personally known at the time of the death of the veteran, said witnesses certifying to the truth of the statement as made by the claimant.

§ 10.45 Definition of "widow".

The term widow as used in the regulations in this part includes widower.

§ 10.46 Authentication of statements supporting claims.

All statements, except those of licensed examining physicians under §10.39 (a)(2) and (b)(1), required by §§10.28 to 10.44 shall be subscribed and sworn to before an officer vested with authority to administer oaths, in the
place where such statements are made. Signatures executed in foreign countries or places shall be certified by an American consul, a recognized representative of an American consul, a recognized representative of an American embassy or legation or by a person authorized to administer oaths under the laws of the place where such statements are made, provided there be attached to the certificate of such latter officer a proper certification by an accredited official of the State Department of the United States that the officer certifying to the execution of the signature was authorized to administer oaths in the place where certification was made.

§ 10.47 Use of prescribed forms.

Statements required by the regulations in this part should be submitted on forms provided by the Department of Veterans Affairs, when conveniently available.

PAYMENTS

§ 10.50 Section 601 and section 603 payments made on first day of calendar quarter.

Cash payments and the first installment of installment payments authorized in sections 601 and 603, respectively of title VI of the World War Adjusted Compensation Act, as amended, will be made as of the first day of the calendar quarter following the finding by the director that the applicant is a dependent entitled to the benefits of the act, but in no case shall any such payments be made before March 1, 1925: Provided, however, That payments authorized by section 608 of title VI of the Act, as amended, shall be paid in a lump sum to the preferred dependent without reference to payments under section 603 of title VI of the Act, as amended.

§ 10.51 Payments to minor child.

Payments to minor child through legal guardian, natural guardian, or self. (See § 10.40.)

§ 10.52 Duplication of payments prohibited.

Duplication of payments shall not be made in case of change of beneficiary. (See § 10.16.)

§ 10.53 Payment on duplicate certificate.

Issuance of duplicate adjusted service certificates and payment of claims based upon lost, destroyed, or mutilated, adjusted service certificates. (See §§ 10.1 to 10.4, 10.24 and 10.25, respectively.)

PART 11—LOANS BY BANKS ON AND PAYMENT OF ADJUSTED SERVICE CERTIFICATES

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