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## **V.A. Pension, Aid and Attendance, and Housebound Benefits (2014)**

This memorandum describes three benefits programs available to veterans. They are pension benefits, housebound benefits and, aid and attendance benefits. Each builds upon the other. Initially, a veteran must be eligible for pension benefits. If the veteran has physical needs and is housebound, then housebound benefits are added to the pension. If the veteran's needs are even greater, or if the veteran is receiving health care in a facility, then aid and attendance benefits are added to the pension benefit.

### **What is VA Pension for veterans?**

Pension is a benefit paid to wartime veterans who have limited or no income, and who are age 65 or older, or, if under 65, who are permanently and totally disabled. Veterans who are more seriously disabled may qualify for Aid and Attendance or Housebound benefits. The housebound and Aid and Attendance rates include the basic pension rate.

### **What are Housebound benefits?**

Housebound benefits are paid in addition to monthly pension. Like A&A, Housebound benefits may not be paid without eligibility to pension. A veteran may be eligible for Housebound benefits when:

- The veteran has a single permanent disability evaluated as 100-percent disabling AND, due to such disability, he/she is permanently and substantially confined to his/her immediate premises, OR,
- The veteran has a single permanent disability evaluated as 100-percent disabling AND, another disability, or disabilities, evaluated as 60 percent or more disabling.

### **What is Aid and Attendance?**

Aid and Attendance (A&A) is a benefit paid in addition to monthly pension. This benefit may not be paid without eligibility to pension. A veteran may be eligible for A&A when:

1. The veteran requires the aid of another person in order to perform personal functions required in everyday living, such as bathing, feeding, dressing,

- attending to the wants of nature, adjusting prosthetic devices, or protecting himself/herself from the hazards of his/her daily environment, OR,
2. The veteran is bedridden, in that his/her disability or disabilities requires that he/she remain in bed apart from any prescribed course of convalescence or treatment, OR,
  3. The veteran is a patient in a nursing home due to mental or physical incapacity, OR,
  4. The veteran is blind, or so nearly blind as to have corrected visual acuity of 5/200 or less, in both eyes, or concentric contraction of the visual field to 5 degrees or less.

### **Who is eligible for pension benefits?**

The following criteria apply to each of pension benefits categories described above. Generally, you may be eligible if:

- you were discharged from service under conditions other than dishonorable,<sup>1</sup>

AND

- you served at least 90 days of active military service 1 day of which was during a war time period. If you entered active duty after September 7, 1980, generally you must have served at least 24 months or the full period for which called or ordered to active duty (There are exceptions to this rule),

AND

- your countable family income is below a yearly limit set by law (The yearly limit on income is set by Congress),

AND

- you are age 65 or older, OR, you are permanently and totally disabled, not due to your own willful misconduct.

As shown, there are a number of criteria that may affect your eligibility to pension benefits. The VA will determine if you are eligible and notify you. If you do not initially qualify, you may reapply if you have un-reimbursed medical expenses during the twelve month period after VA receives your claim that bring your countable income below the yearly income limit. (These are expenses you have paid for medical services or products for which you will not be reimbursed by Medicare or private medical insurance.)

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<sup>1</sup> There are five categories of discharge: (1) honorable discharge; (2) discharge under honorable conditions or general discharge; (3) discharge under other than honorable conditions or undesirable discharge; (4) bad conduct discharge; and (5) dishonorable discharge. The first two categories meet the eligibility requirements. The second two *may* meet the requirement after a character of service determination is completed. A veteran dishonorably discharged is not eligible.

## **What additional requirements apply to a surviving spouse?**

Generally, all of the above requirements must be met, plus, you must be the surviving spouse of a deceased veteran. If you divorced the veteran prior to his or her death, then you are not eligible. Additionally, the veteran and the surviving spouse must have been living together when the veteran died unless the separation was for medical, business or other reasons besides marital discord. If the reason was marital discord, the surviving spouse cannot be at fault.

## **What are the “war time” periods?**

World War II	December 7, 1941, through December 31, 1946, inclusive. If the veteran was in service on December 31, 1946, continuous service before July 26, 1947, is considered World War II service.
Korean conflict	June 27, 1950, through January 31, 1955, inclusive.
Vietnam era	The period beginning on February 28, 1961, and ending on May 7, 1975, inclusive, in the case of a veteran who served in the Republic of Vietnam during that period. The period beginning on August 5, 1964, and ending on May 7, 1975, inclusive, in all other cases.
Persian Gulf War	August 2, 1990, through date to be prescribed by Presidential proclamation or law.

There is no requirement that the veteran serve overseas or in a combat zone. Any service during a war time period is sufficient.

## **Is there a net worth (or assets) limit?**

Net worth means the net value of the assets of the veteran and his or her dependents. It includes such assets as bank accounts, stocks, bonds, mutual funds and any property other than the veteran's residence and a reasonable lot area.

There is no set limit on how much net worth a veteran and his dependents can have, but net worth cannot be excessive. As a general rule, however, net worth is considered excessive if the veteran (or a veteran and spouse) has more than \$80,000; for a single person, the application is more likely to be approved if assets are below \$50,000. The decision as to whether a claimant's net worth is excessive depends on the facts of each individual case. All net worth should be reported and VA will determine if a claimant's assets are sufficiently large that the claimant could live off these assets for a reasonable period of time. VA's needs-based programs are not intended to protect substantial assets or build up an estate for the benefit of heirs.

## **What is countable income when applying for veterans pension?**

Under the VA rules, any payment of any kind from any source is income. This includes income received by the veteran and his or her dependents, if any, from most sources. It

includes earnings, disability and retirement payments, interest and dividends, and net income from farming or business.

The VA calculates income on an annual basis. Thus, although you receive less income per month than shown on the following tables, if you received a 'one-time payment that caused your annual income to exceed the limits, you would not be eligible for benefits unless you have medical expenses that cause the addition income to be excluded.

### **Are there any exclusions (or deductions) to countable income?**

Yes, there are exclusions. The VA only counts the income remaining after permitted deductions are taken. The remaining income, which is known as "income for VA purposes" (IVAP) is the figure used in determining eligibility. The following are examples of what may be excluded:

- Public assistance such as Supplemental Security Income is not considered income.
- Many other specific sources of income are not considered income; however, all income should be reported. VA will exclude any income that the law allows.
- A portion of unreimbursed medical expenses paid by the claimant after VA receives the claimant's pension claim may be deducted. These are expenses you have paid for medical services or products for which you will not be reimbursed by Medicare or private medical insurance. To be deducted, medical expenses must exceed 5% of the maximum applicable pension rate.
- Certain other expenses, such as a veteran's education expenses, and in some cases, a portion of the educational expenses of a child over 18 are deductible.

### **How does the VA calculate your pension?**

Your annual pension is calculated by first totaling all your countable income. Then any permitted deductions are subtracted from that total. The remaining countable income is deducted from the appropriate annual pension limit (see tables in this memorandum) which is determined by the number of your dependents, if any, and whether or not you are entitled to housebound or aid and attendance benefits. This amount is then divided by 12 and rounded down to the nearest dollar. This gives you the amount of your monthly payment.

### **What are the income limits for veterans?**

Each year Congress sets the Maximum Annual Pension Rate (MAPR) for veterans. The VA website updates this information as the rates change.<sup>2</sup> The rates as of 2014 are as follows:

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<sup>2</sup> [http://benefits.va.gov/PENSION/current\\_rates\\_veteran\\_pen.asp](http://benefits.va.gov/PENSION/current_rates_veteran_pen.asp).

<b>If you are a veteran ...</b>	<b>Annual income must be less than ...</b>	<b>Monthly income must be less than ...</b>
MAPR without Spouse or Child	\$12,652	\$1,054.33
MAPR with One Dependent	\$16,569	\$1,380.75
Housebound Without Dependents	\$15,462	\$1,2885.00
Housebound With One Dependent	\$19,380	\$1615.00
A&A Without Dependents	\$21,107	\$17,589.16
A&A With One Dependent	\$25,022	\$2,085.16
Two Vets Married to Each Other	\$16,569	\$1,380.75

### **What are the income limits for a surviving spouse?<sup>3</sup>**

MAPR Without Dependent Child	\$8,485	\$707.08
MAPR With One Dependent Child	\$11,107	\$925.58
Housebound Without Dependents	\$10,371	\$864.25
Housebound With One Dependent	\$12,988	\$1,082.33
A&A Without Dependents	\$13,563	\$1,130.25

<sup>3</sup> [http://benefits.va.gov/PENSION/current\\_rates\\_survivor\\_pen.asp](http://benefits.va.gov/PENSION/current_rates_survivor_pen.asp).

A&A With One Dependent

\$16,180

\$1,348.33

**Applying for benefits if you are already eligible:**

You may apply for Aid and Attendance or Housebound benefits by writing to the VA regional office having jurisdiction of the claim. That would be the office where you filed a claim for pension benefits. If the regional office of jurisdiction is not known, you may file the request with any VA regional office. The address of the regional office for Georgia residents is: 1700 Clairmont Road, Decatur, GA 30033. The mailing address is P.O. Box 100026, Decatur , GA 30031-7021.

You should include copies of any evidence, preferably a report from an attending physician validating the need for Aid and Attendance or Housebound type care. The report should be in sufficient detail to determine whether there is disease or injury producing physical or mental impairment, loss of coordination, or conditions affecting the ability to dress and undress, to feed oneself, to attend to sanitary needs, and to keep oneself ordinarily clean and presentable.

In addition, it is necessary to determine whether the claimant is confined to the home or immediate premises.

Whether the claim is for Aid and Attendance or Housebound, the report should indicate how well the individual gets around, where the individual goes, and what he or she is able to do during a typical day

You apply for VA pension benefits on form **21-526**. If you have access to a computer, you can download the form at: <http://www.vba.va.gov/pubs/forms/VBA-21-526-ARE.pdf> or you can apply online at: <http://vabenefits.vba.va.gov/vonapp/main.asp>.

You may phone the VA at 1-800-827-1000 to ask questions.

**Planning if you are not eligible:**

David L. McGuffey is certified by the National Elder Law Foundation as an Elder Law Attorney. He is also an accredited attorney with the VA.

The Elder Law Practice of David L. McGuffey offers a wide range of estate planning and public benefits planning services. We assist families with other holistic estate planning matters, such as planning to pay for nursing home care, and getting the right care, without going broke. Contact us for a free consultation.