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A Family Member's Guide to the Impact of Work on Veterans' Benefits

Who manages Veterans *healthcare*?

The Veterans Health Administration (**VHA**) operates the healthcare system serving the needs of Veterans by providing primary care, specialized care, and related medical and social support services. The VHA system includes the hospitals, community-based counseling system (Vets Centers), and all of the special health care services available to Veterans.

What are the priority groups for determining the kinds and amount of medical care from the VHA?

There are 4 priority groups, as described in the table below.

Who manages the *cash benefits* programs for Veterans?

Primarily, the Veterans Benefits Administration (**VBA**) oversees all of the Federal monetary benefit programs for Veterans and family members.

Priority Group	Members
1	<ul style="list-style-type: none"> • Veterans with service-connected disabilities rated 50% or more disabling • Veterans determined by the VA to be unemployable due to service-connected conditions
2	<ul style="list-style-type: none"> • Veterans with service-connected disabilities rated 30% or 40% disabling
3	<ul style="list-style-type: none"> • Veterans with service-connected disabilities rated 10% or 20% disabling • Veterans who are former POWs • Veterans awarded the Purple Heart • Veterans whose discharge was for a disability that began in the line of duty • Veterans who are disabled because of VA treatment or participation in VA vocational rehabilitation program
4	<ul style="list-style-type: none"> • Veterans who are receiving aid and attendance or housebound benefits • Veterans who have been determined by VA to be catastrophically disabled

What are the primary cash benefits programs through VBA?

Disability Compensation is a tax-free benefit paid to Veterans who are disabled by a disease or injury that occurred or worsened during active military service. The amount of compensation paid varies with the severity of disability and number of eligible dependents. Wages, assets, or net income do not normally impact a Veteran's compensation payments. In certain circumstances, Veterans who cannot obtain or maintain substantially gainful employment because of their service-related disabilities may receive payment at the 100-percent rate even when VA assigns a lesser overall evaluation. VA calls this additional payment *individual unemployability*, and wages may impact its receipt (see below).

Veterans Pension is a needs-based benefit paid to wartime Veterans who meet certain age or non-service-connected disability requirements. To qualify, a Veteran must generally have served at least 90 days of active duty with one day during a wartime period, received an other-than-dishonorable discharge, and meet certain income and net worth limitations. Additional service requirements may apply for Veterans who entered active duty after September 7, 1980. To qualify for this program, a Veteran must also have a permanent and total non-service-connected disability, be age 65 or older, be a patient in a nursing home, or receive Social Security disability benefits.

VA considers income from all sources such as wages, salaries, earnings, bonuses, income from a business, investments, or rents, as well as the fair value of personal services, goods, or room and board received. Earned income from employment would impact a Veteran's eligibility for this program as well as the amount of payment received each month. VA reduces pension dollar-for-dollar for any income that is "countable" under VA rules. For example, if a Veteran earns \$500 per month, then VA may deduct that income from the maximum annual pension rate. After 12 consecutive months of work, VA may review the Veteran's disability status if VA granted pension based upon disability status rather than age. Additionally, VA may deduct certain expenses, such as unreimbursed medical expenses, from the Veteran's annual household income to decrease his/her countable income and increase his/her monthly pension rate.

Vocational Rehabilitation and Employment (VR&E), also referred to as the Chapter 31 program, assists eligible Servicemembers and Veterans with service-connected disabilities prepare for, obtain, and maintain suitable employment or achieve independence in daily living. If VA determines that a disabled Servicemember/Veteran has an employment handicap, they will jointly develop a rehabilitation plan. Among other services, VA will

- Develop an appropriate vocational goal, considering the individual's interests, skills, and abilities, as well as labor market information.
- Provide education or vocational training, up to 48 months of educational assistance.

VR&E also provides specific types of services such as vocational educational counseling, special assistance, specialized restorative training, or specialized vocational training to the dependent or surviving spouse or child of a Veteran in certain circumstances, such as the Veteran dying in service or being permanently and totally disabled due to military service.

What about financial support if my family member is in a VBA-sponsored Vocational Rehabilitation and Employment program to train for a specific job?

Veterans participating in the Vocational Rehabilitation and Employment program may receive a subsistence allowance-- a monthly payment based on the rate of attendance in a training program, the number of dependents, and the type of training--while they pursue an educational or training program to prepare for, obtain, and maintain suitable employment.

Who is most likely to lose monetary benefits due to work?

Certain Veterans receiving Disability Compensation payments may be entitled to individual unemployability, or payment at the 100-percent rate even when the overall evaluation is less than total, if their service-connected disability prevents them from obtaining and maintaining substantially gainful employment. VA may reduce benefits if the Veteran becomes gainfully employed for a sustained period of time, usually a year.

Veterans receiving Pension are likely to have their benefits offset by the amount of their wages. After 12 consecutive months of work, VA may review disability status, if VA granted pension based on disability status rather than age.

Can entitlement to disability compensation benefits be reviewed and changed?

Yes, VA may change payments depending on changes in the severity of the service-connected disability. Also, if VA pays an additional amount called individual unemployability because a Veteran cannot work, sustained gainful employment may affect that additional payment.

How can VA assist with finding employment?

The Veterans Employment Center™ (VEC) and the Vocational Rehabilitation and Employment (VR&E) Service connect transitioning Servicemembers, Veterans, and their family members with employers such as other federal, state, and local agencies, private and public sectors that have committed to hire skilled individuals. Employment assistance is also provided through partnerships using targeted Memorandum of Agreement (MOA) with the U.S. Department of Labor (DOL) and Veterans' Employment and Training Service (VETS).

Resources

Veterans Benefits Timetable

<http://www.vba.va.gov/pubs/forms/VBA-21-0501-ARE.pdf>

Veterans Benefits

<http://www.vba.va.gov/>

Total Disability Based Upon Individual Unemployability

http://benefits.va.gov/COMPENSATION/claims-special-individual_unemployability.asp

Veterans Pension

<http://www.benefits.va.gov/pension/vetpen.asp>

Vocational Rehabilitation

http://www.benefits.va.gov/VOCREHAB/edu_voc_counseling.asp

Subsistence Allowance Rates

<http://www.benefits.va.gov/VOCREHAB/docs/SAFY15.pdf>

Veterans Employment Center

<http://www.vets.gov/veterans-employment-center/>

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