

VA Online Letter #2:  
The Nuts and Bolts Guide to Veterans Benefits  
The Critical Calculation: The Big “Ah-Ha!”  
Revised July 3, 2007

Most people think of veterans benefits as being only for servicemen and -women who were wounded or disabled while serving in the armed forces. By and large, that is true. But—we have learned that there are substantial benefits that may be available to wartime veterans who are now senior citizens and are facing the burden of long-term care due to a host of diseases such as Alzheimer’s, Parkinson’s, MS, Lou Gehrig’s Disease, and many others. In fact, the Veterans Administration estimates that millions of wartime veterans and their spouses may be eligible for Special Monthly Pension benefits, and not even be aware of it!

Wartime veterans, or their surviving spouses, become eligible for the Special Monthly Pension benefit when they are over 65 years of age, are permanently disabled and unable to work, are homebound, or need the regular aid and attendance of another—whether at home, in assisted/supportive living, or in a nursing home. The program is based on actual financial need for assistance, so there are income and asset limitations.

Unfortunately, there is widespread misunderstanding regarding how to determine qualification for this important benefit. It is the goal of this *Nuts and Bolts Guide* to give you a start in understanding the ins and outs, and the ups and downs, of the VA benefits maze commonly referred to as “Aid and Attendance.” Even though finding your way through the maze can be extremely difficult, it is worth the effort to assist wartime veterans and their surviving spouses during times of great need.

**The maximum benefit available can provide significant help in paying for the long-term care costs of veterans/surviving spouses who are homebound or in a care facility.**

The focus of this Nuts and Bolts Guide is the non-service-connected pension which may provide money to assist a needy wartime veteran or surviving spouse who now faces substantial medical costs due to Alzheimer’s, Parkinson’s, arthritis, multiple sclerosis, or some other “non-service-connected” disease.

The wartime veteran has earned possible eligibility for this assistance by serving our country, even though their current disability is not connected to their military service. Nonetheless, I have learned that claims examiners sometimes view the benefits for veterans whose disability is connected to their service (disability compensation) to be similar to “worker’s compensation,” which is money that is paid to an employee who is injured on the job. For these service-connected benefits, the VA has a system of rating an employee’s disability as a percentage. For example, VA examiners who rate someone as 10% disabled will say, “I gave that vet a dime”—meaning a 10% disability rating. The injured serviceman/woman receives a check based on a rating and **NOT based on need**.

On the other hand, a VA examiner looks at non-service-connected pensions as a type of welfare. It is *NOT* welfare, but from the VA point of view, they are trying to provide a pension for a *needy* wartime veteran or survivor spouse. This pension is based on financial need and is *not* based solely on a percentage of disability. The maximum annual pension rate (MAPR) available per veteran is calculated by taking into consideration some of the following factors:

- Gross household income available to pay expenses;
- Gross savings and other money available from IRAs, CDs, cash value life insurance, stocks, bonds, annuities, rented real estate, vacation homes, and all other investments;
- Life expectancy of the veteran, to determine how long the veteran may live and have to pay medical expenses; and
- The cost of ongoing medical expenses that are not covered by either Medicare, employee benefits, or insurance. *Note:* These are called “unreimbursed medical expenses” or UME. This is a key factor to help determine if a veteran may qualify for a pension.

Based on the information above, the first step in determining if a wartime veteran *may* qualify for a pension based on need is the following formula:

$$\begin{array}{r}
 \text{Gross household annual income} \\
 \text{Less: } \underline{\text{Unreimbursed medical expenses—for one year}} \\
 \text{Equals: } \text{Net income for Veterans Administration purposes}
 \end{array}$$

“Net income for Veterans Administration purposes” (abbreviated IVAP) is what is used to calculate how much, if any, pension money will be awarded to a claimant.

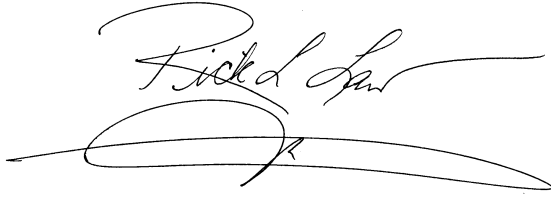
Each *category* of need—such as housebound veteran, nursing home resident veteran, or veteran’s spouse—has a *maximum* amount of pension dollars available per claimant. Because there is a maximum annual pension rate (MAPR) for each category of claimant, no one can receive a pension for more than the maximum—***regardless of actual need.***

In the next letter, we will review requirements to be eligible for the non-service-connected pension and the maximum available pension resource.

Your homework continues to be the assembly of the information to do the formula:

$$\begin{array}{r}
 \text{Gross household annual income} \\
 \text{Less: } \underline{\text{Unreimbursed medical expenses—for one year}} \\
 \text{Equals: } \text{Net income for Veterans Administration purposes}
 \end{array}$$

Until tomorrow,

A handwritten signature in black ink, appearing to read "Rick L. Law". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Elder law attorney serving seniors and those who love them

After reading this information, we strongly recommend that you contact an elder law attorney such as those at Law ElderLaw to determine if you qualify. An elder law attorney can assist you and your family by explaining many difficult-to-understand things about long-term care. Qualification for a VA benefit is only one of several concerns that must be considered. As you struggle to provide dignified long-term care for a wartime veteran and/or surviving spouse, we can help you understand the options. We are your advocates, and we want to help you stretch your hard-earned dollars further. VA benefits are only one part of the puzzle. We will hold your hand and guide you every step of the way as we consider all of your family's resources and needs.

Contact Us:

<http://www.lawelderlaw.com/contact-va-benefits.htm>

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