

NSC Pension



North Dakota Department of Veterans Affairs

The background of the slide features a large, light blue circular seal. The outer ring of the seal contains the text "NORTH DAKOTA VETERANS AFFAIRS" at the top and "PUTTING VETERANS FIRST" at the bottom. In the center of the seal is a shield with a silhouette of a soldier in the foreground and a landscape with a star in the background. Below the shield, the text "EST. 1945" is visible.

OBJECTIVE

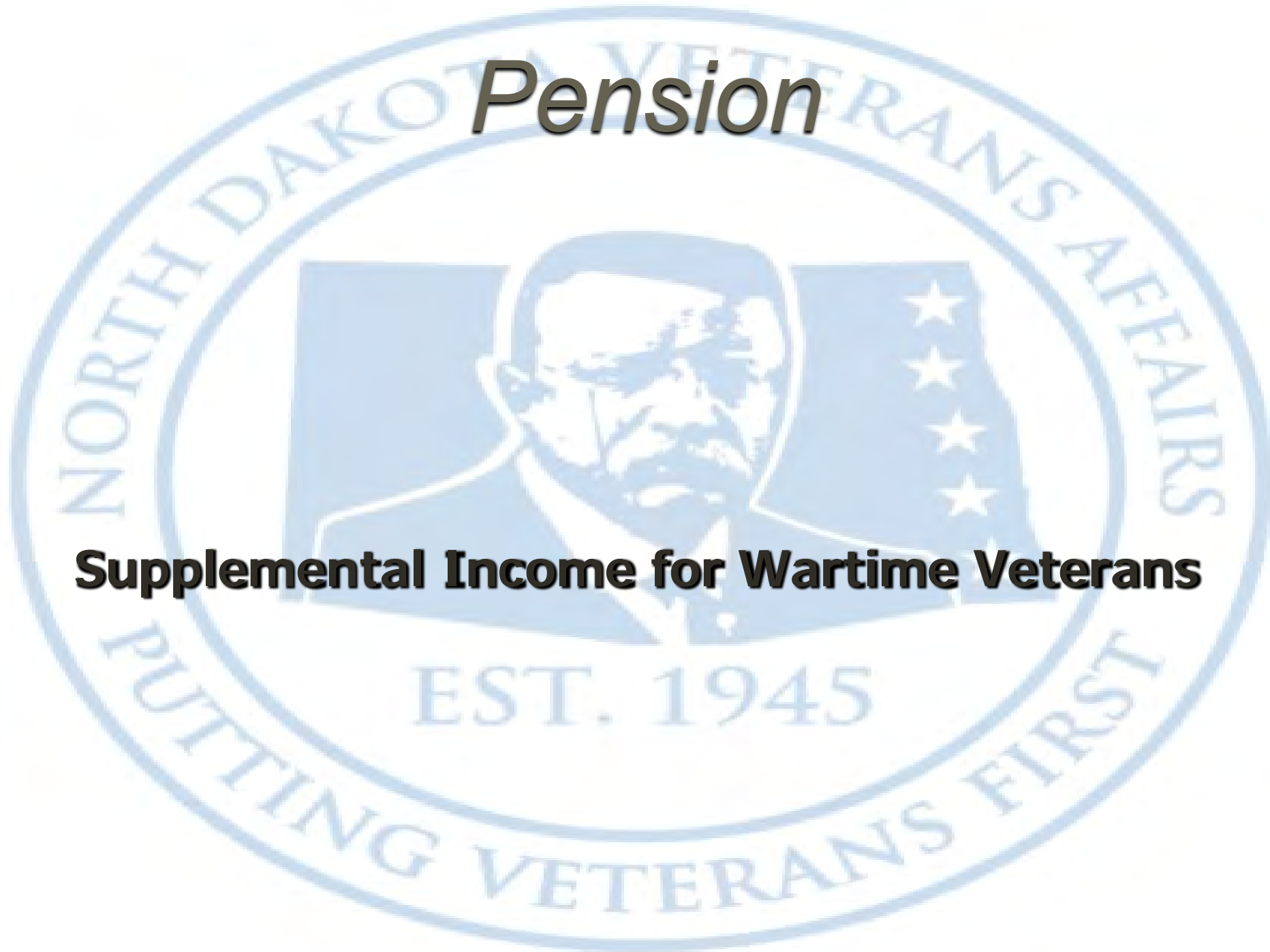
To assist a claimant submit a claim for non-service-connected disability pension, and to become familiar with the requirements for such claims.

Reference Material

- Title 38, U.S. Code, Chapter 15
- 38 Code of Federal Regulations, Parts 3, (3.261), and 4
- Adjudication Manual 21-1, Parts IV and VI; Part 1, Appendix B
- VA Pamphlet: Federal Benefits for Veterans and Dependents

Pension

Supplemental Income for Wartime Veterans



Pension Programs

Three major pension programs:

Old Law Pension applied on or before June 30, 1960

Section 306 Pension applied on or after July 1, 1960

Improved Pension Law effective January 1, 1979.

Two Older Programs

Old-Law Pension

Section 306 Pension



Improved Pension Law

Allows extra Income For:

- Housebound (HB)
- Aid & Attendance (A&A).

Old-Law/Section 306 Pension can convert

- election is irrevocable

Service Requirement

Served on Active Duty before 9/7/80

- 90 + days (1 day in War Time)
- If less than 90 days discharge must be for medical reasons

Served on Active Duty on or after 9/7/80

- 24 months (1 day in War Time)
- Except for medical discharge

**Guard/Reserve must serve complete time of a
Federal Call-Up**

Periods of War

- **Mexican Border Period** - 5-9-16 through 4-5-17, if served in Mexico, on its borders, or in adjacent waters
- **World War I** - 4-6-17 through 11-11-18; served in Russia 4-6-17 to 4-1-20; extended through 7-1-21, if had one day of service between 4-6-17 and 11-11-18.
- **World War II** - 12-7-41 through 12-31-46
- **Korean Conflict** - 6-27-50 through 1-31-55
- **Vietnam Era** — 8-5-64 (2-28-61, if served "in county" before 8-5-64) through 5-7-75
- **Persian Gulf War** — 8-2-90, through date to be set by law or Presidential Proclamation

Disability Requirement

- Under 65 yrs old, need to be rated 100% Permanent and Total (P/T)
- 65+ yrs old, no disability required except for consideration for Special Monthly Pension (SMP)-Housebound (HB) or Aid & Attendance (A&A)

Disability Requirement Permanent & Total Ratings (P/T)

Disability takes into account not only medical; but education, past earning capacity, skills, age and other factors in considering livelihood

If one is so disabled to prevent working, but not rated P/T, may be qualified if:

- 1 medical issue rated at least 60% *OR*
- 2+ medical issues = combined 70%, with at least 1 medical issue, in the combination, rated 40%

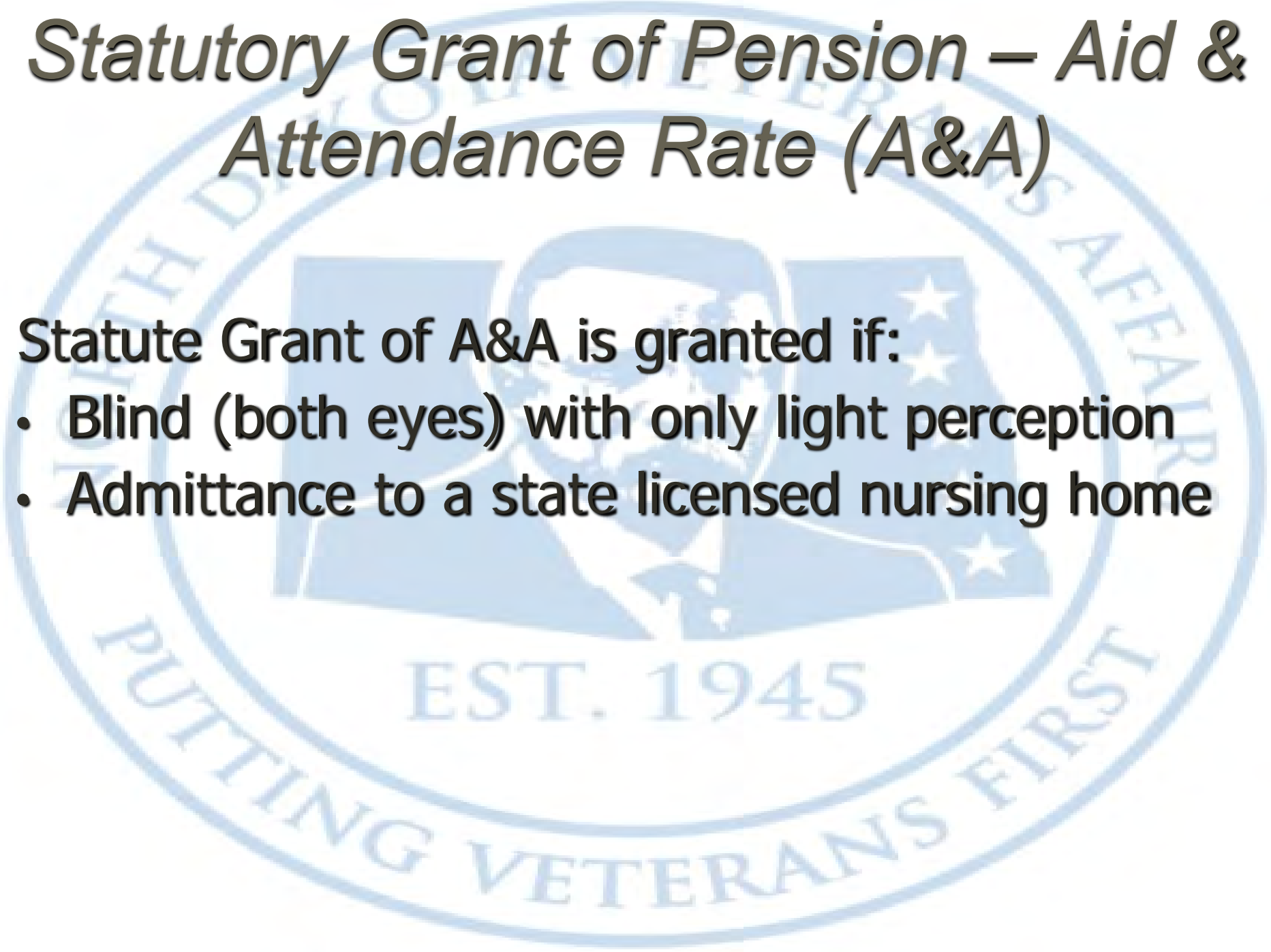
Special Monthly Pension Housebound or Aid & Attendance

- HB - need 1 medical issue rated 100% and another rated at least 60% + and be substantially confined to the home
- A&A - Inability to perform a majority of the following:
 - Dress or Undress
 - Keep clean
 - Feed self
 - Attend to sanitary needs
 - Self protection
 - Total blindness & bedridden

Statutory Grant of Pension – Aid & Attendance Rate (A&A)

Statute Grant of A&A is granted if:

- Blind (both eyes) with only light perception**
- Admittance to a state licensed nursing home**



Cash Assets - Net Worth

- Need to describe the nature of assets if above \$80,000 (i.e. CD's, IRAs, Trusts Accounts etc.)
- Count only cash assets, not Real or Personal property
- If liquidation has financial penalties (bank penalty fees, etc.), that portion is excluded from net worth calculation
- If over \$80,000, one can purchase a pre-need burial plan or other programs after proper consult with a financial advisor or trust attorney

Payment During Penal Institutions

- Payments end on 61st day of incarceration
- If dependents are at home, VA will recalculate under Death Pension Benefit rates and grant whichever is less

EST. 1945

Income Sources & Expenses

All income sources are counted except public welfare (SSI) (i.e. wages, interest on accounts, retirements, SSA, etc.)

Any income changes must be reported to the VA upon receipt.

Lump sums are treated as income for the next 12 consecutive months upon receipt.

Medical, educational, and last illness expenses are offsets to income

MAPR & IVAP Defined

MAPR - Max Annual Pension Rate is a preset maximum household income rate granted by congress and administered by the VA.

Deductible - Deduct 5% of the MAPR from the total medical expenses

IVAP – Income for VA Purposes is household income less medical expenses above the deductible.

Disability Pension Rates

<i>Maximum Annual Pension Rates eff.12/1/16</i>	Permanent & Total (Basic)	Housebound	Aid & Attendance
Veteran	\$12,907	\$15,773	\$21,531
5% Deductible	\$645		
V-S or V-1C	\$16,902	\$19,770	\$25,525
5% Deductible	\$845		

Death Pension Rates

<i>Maximum Annual Pension Rates eff.12/1/16</i>	Permanent & Total (Basic)	Housebound	Aid & Attendance
Surviving Spouse (SS)	\$8,656	\$10,580	\$13,836
5% Deductible	\$ 433		
SS-1C	\$11,330	\$13,249	\$14,397
5% Deductible	\$566		

Scenario One

- A single war-time veteran visits your office and ask what benefit could provide financial help as he only receives Social Security income of \$773.33 per month. His medical insurance cost \$250 per month.
- Take the information given and use the Pension Rate Chart (on previous page) to calculate his pension rate.
- Describe how VA would use his medical expenses to off-set income.

Scenario One Information

Claimant(s)	Veteran
Pension Level	Basic
MAPR	\$12,907
5% Deductible	\$645
Income	\$9,280
Medical Expenses (MEs)	\$3,000
If income is below MAPR, how much per year	\$3,588

Calculations for Scenario One

Medical Expenses (MEs) - 5% Deductible = Adjusted Meds	\$3,000	-	\$645	=	\$2,355
Income-Adjusted MEs = Income for VA Purposes (IVAP)	\$9,280	-	\$2,355	=	\$6,925
MAPR-IVAP=Amount owed to claimant for that year's income- offset adjustments	\$12,907	-	\$6,925	=	\$5,945
Monthly Check	\$498.50				

NSC Pension

Q & A

