

IMPROVED PENSION PROGRAM

For Veterans, Their Surviving Spouse and Dependent Children

What is the Improved Pension Program?

The Improved Pension Program (IPP) is a cash benefit payable by the Department of Veterans Affairs to “veterans” who served during a period of “war”, and who are “permanently and totally disabled” from a “nonservice-connected disability” or are over the age 65 years. Terms in quotation marks are explained below.

IPP can provide cash benefits to eligible veterans, their dependants, and their surviving spouses.

Who is Eligible for the Improved Pension Program?

To be eligible for the IPP, you must be a veteran who meets all of the following five requirements:

1. You served in the active military (Army Navy Air Force, or Marines). Veterans also include, but are not limited to persons who served in the National Guard, Coast Guard, U.S. Merchant Seamen who served on Blockships, WWII American Merchant Marine, WWII Civilian Navy IFF Technicians, Public Health Service, Coast and Geodetic Survey and successor agencies the Environmental Science Services Administration and National Oceanic and Atmospheric Administration.
2. You served at least one day during a period of war and you were discharged or released from such service for a “service-connected disability”; or you served for a minimum of 90 consecutive days at least 1 day of which was served during a period of war; or you served for a total of 90 days or more during one or more periods of war.
3. You were discharged under other than dishonorable conditions.
4. You are 65 years of age or older, or you are “permanently and totally disabled” from a non-service connected disability not due to your “willful misconduct.”
5. You meet the financial need requirement.

If in doubt about eligibility, you should apply. There is no cost to apply. Simply answer all questions honestly.

What are the allowable periods of war for purposes of eligibility?

- Persian Gulf War – beginning August 2, 1990 until the President or law declare the war is ended.
- Vietnam Era August 5, 1964 through May 7, 1975. If you served in the Republic of Vietnam, then February 28, 1961 through May 7, 1975.
- Korean Conflict – June 27, 1950 through January 31, 1955.
- World War II – December 7, 1941 through December 31, 1946. If you were in the service on December 31, 1946, then continuous service before July 26, 1947 is considered World War II service.
- World War I – April 6, 1917 through November 11, 1918.

What is a nonservice-connected disability?

A nonservice-connected disability is a disability that was acquired after the veteran left the service. The veteran was healthy when he or she left the service and later became disabled. Additionally, to be eligible for IPP the disability may not be caused by willful misconduct. Alcoholism or addiction to illegal drugs may be considered “willful misconduct.”

What does it mean to be permanently and totally disabled?

A permanent and total disability is a disability that is sufficient to render it impossible for the average person to work, and the inability to work is likely to continue for the rest of the person’s life. Age may be considered when determining the degree of disability.

What is the financial need requirement?

To determine if you are financially eligible, the VA will review your income and your net worth. If you have a spouse or dependents, the VA will also consider their income and net worth. Although all income must be reported, not all income is counted by the VA. The VA looks at your “countable income” to determine eligibility.

“Countable income” includes, but is not limited to, disability; retirement; dividends and interest; or earned income. “Countable income” does not include: welfare or public assistance; SSI; maintenance provided by a friend or relative; VA pensions; reimbursement for casualty loss; profit from the sale of real or personal property; or funds in a joint account that are acquired due to the death of the joint owner. Deductions can be made for a portion of unreimbursed medical expenses. Some education expenses may be deductible.

If your countable income exceeds the maximum annual pension rate (MAPR), IPP would be denied. The veteran’s and veteran’s spouse’s net worth are counted toward income. In other words, when countable income combined with the net worth of you and your spouse are of such amount as to make it reasonable that part of those estates could be spent on the veteran’s maintenance, IPP may be denied.

Factors that are considered in determining if part of the veteran’s or veteran’s spouse’s estates should be considered for maintenance include: whether the property can be converted into cash at no substantial sacrifice; life expectancy; the number of dependents; and the potential rate of depletion of the estate, including unusual medical expenses.

How much of a cash benefit is available?

The pension amount is determined by your countable income and net worth, less deductions. Then countable income is subtracted from the Maximum Annual Pension Rate (MAPR). The amount remaining is your IPP cash benefit. As of December 2007, the MAPR for a veteran on pension without a spouse or child is \$11,181 per year. The MAPR is a greater amount if the veteran is married or has dependents living with him or her. However, in such a situation, the spouse’s and dependents’ income is added in with the veteran’s income, and is deducted from MAPR to calculate the pension amount.

Aid and Attendance Benefits

MAPR is greater amount if the veteran is in need of “aid and attendance.” Entitlement to aid and attendance benefits may be established if:

- You are blind or nearly blind; or
- You are a patient in a nursing home because of medical or physical incapacity; or
- You are unable to dress or keep clean, needs frequent adjustments to special prosthetic appliances, is unable to attend the wants of nature, or needs assistance on a regular basis to protect from hazards of the daily environment.

Effective December 2007, the MAPR for a veteran without dependants on aid and attendance is \$18,654 per year.

Housebound Benefits

MAPR is greater amount if the veteran is “housebound.” Entitlement to housebound benefits may be established if:

- You have a single permanent disability evaluated as 100-percent disabling and, due to such disability, you are permanently and substantially confined to your immediate premises; or
- You have a single permanent disability evaluated as 100-percent disabling and, another disability, or disabilities, evaluated as 60 percent or more disabling.

Effective December 2007, the MAPR for a veteran without dependants on housebound benefits is \$13,664 per year.

IPP cash benefit amounts are typically increased by Congress annually in December.

What is the Improved Death Pension for low-income surviving spouses and surviving dependent children?

A deceased veteran’s surviving spouse or surviving dependent may qualify for cash benefits. The deceased veteran must have met the eligibility requirements of items 1 and 2 above for the Improved Pension Program. There is no requirement that the surviving spouse or dependent children be disabled.

The spouse of a deceased veteran must qualify as a surviving spouse in order to establish basic entitlement to the death pension. The spouse must demonstrate proof of marriage. The spouse must also show that they were living together or otherwise a dependent of the veteran. As of December 2007, the maximum cash benefit (the MAPR) available to the spouse is \$7,498 per year if there are no children; \$ 9,815 per year if there is one child; and \$ 1,909 per year for each additional child.

What if the surviving spouse is housebound or in need of aid and attendance?

The surviving spouse of a veteran who shows that they meet housebound or aid and attendance requirements (as described above) may qualify for an additional financial award. Effective as of December 2007, the annual cash amount for a surviving spouse who qualifies for Housebound benefits is \$9,164 per year, and for Aid and Attendance is \$11,985 per year.

How do I apply for the Improved Pension Program?

You can apply for the IPP by calling your local VA office or 1-800-827-1000 and asking to apply for the program. You can also apply on the internet at the United States Department of Veterans Affairs website at: <http://www.va.gov/>. You will need to fill out VA Form 21-526. Many veterans' organizations assist with these applications.

If I am denied Improved Pension benefits, can I appeal?

You may appeal an adverse decision by filing a *Notice of Disagreement* with the Board of Veterans Appeals. You may be represented by an attorney or by an accredited representative of a veterans' service organization.

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