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## Improved Pension – A Beginner’s Guide

***Did you know that, if you are a veteran who served at least 90 days, one of which was during one or more of the eras listed below, you are eligible for a VA pension?***

You do ***not*** have to be service-connected.  
You do ***not*** have to have retired from the military.  
You do ***not*** have to actually have been in combat.  
You simply have to meet the income and net worth criteria.

***Did you know that, if you are a surviving spouse, you may also be eligible?***

### **Eligibility periods:**

***World War II:*** December 7, 1941 through December 31, 1946

***Korean War:*** June 27, 1950 through January 31, 1955

***Vietnam War:*** August 5, 1964 (February 28, 1961, for veterans who served “in country” before August 5, 1964), through May 7, 1975

***Gulf War:*** August 2, 1990, through a date to be set by law of Presidential Proclamation.

### **Levels**

There are three levels to the Improved Pension program:

- ▶ *Basic Pension,*
- ▶ *Housebound, or*
- ▶ *Aid & Attendance.*

Ask your VA, Veterans Services Officer, or benefits consultant about filling out form **21-526** (veterans) or **21-534** (surviving spouse)

## **BASIC**

The basic pension *does not* require that you be physically disabled. The benefit amounts are as follows:

*A single veteran is eligible for -- \$10,929 per year;*

*A veteran with a dependent is eligible for -- \$14,313 per year;*

*A surviving spouse is eligible for -- \$7,329 per year;*

*A surviving spouse with a dependent is eligible for -- \$9,594 per year;*

**Financial Criteria:** You must have a “countable income” of less than the pension amount to be eligible for all or a portion of the pension. (Note: read the definition of countable income before you assume you are ineligible.)

**Financial Criteria:** The VA must determine that your net worth is such that it will probably not support you through the remainder of your life. The VA does not include primary residence or vehicles when determining net worth.

**Definition: Countable Income** – the amount of income a veteran or surviving spouse receives each year, AFTER deducting all unreimbursed, recurring health care expenses. This includes assisted living costs, home health care, insurance & Medicare premiums, on-going pharmacy costs and more. If you have a dependent, their health care costs can also be used to reduce your countable income. (However, the spousal income must also be added into the equation.)

### **EXAMPLE:**

*Income:* Joe Smith earns \$14,000 per year from Social Security. His wife Mary earns \$9,000 per year from Social Security. Joe also earns \$5,000 per year from a small company pension.

**Total Income: \$28,000**

### ***BUT...***

*Net worth:* Joe and Mary have only \$38,000 in net worth in CDs and savings. They still live in the home they bought in 1954.

*Expenses:* Joe pays \$1,800 per month for Mary’s home health care.

He and Mary each pay a monthly Medicare premium of \$93.50 (x 2 = \$187/mo)

He also pays \$149 per month for supplemental insurance.

So...Joe and Mary’s medical expenses **Total: \$25,632**

When you subtract Joe and Mary’s medical expenses from their total income, you get a “countable income” of only **\$2,368**. Joe and Mary should definitely contact their regional VA office about applying for the basic pension on form 21-526. They have the potential to be receiving up to \$11,945 in pension per year.

**How did we arrive at the pension figure?** The maximum benefit amount of \$14,313 minus the countable income amount of \$2,368 equals \$11,945.

**NOTE:** If Joe is no longer alive, any Mary wishes to apply, she would do so via form 21-534.

## **HOUSEBOUND**

A veteran or surviving spouse whose physical limitations require a certain level of regular assistance with their daily routine may be eligible to receive Housebound benefits in one of the categories listed below:

*A single veteran -- \$13,356 per year;*  
*A veteran with a dependent -- \$16,740 per year;*

*A surviving spouse -- \$8,957 per year*  
*A surviving spouse with a dependent -- \$11,219 per year*

Just as with BASIC pension, the following criteria applies:

**Financial Criteria:** You must have a “countable income” of less than the pension amount to be eligible for all or a portion of the pension.

**Financial Criteria:** The VA must determine that your net worth is such that it will probably not support you through the remainder of your life. The VA does not include primary residence or vehicles when determining net worth.

UNLIKE, basic pension, your doctor must confirm that your physical condition requires the assistance of others on a regular basis.

**Definition: Countable Income** – the amount of income a veteran or surviving spouse receives each year, AFTER deducting all unreimbursed, recurring health care expenses. This includes assisted living costs, home health care, insurance premiums, Medicare premiums, on-going prescriptions and more. If you have a dependent, that individual’s health care costs can be used to reduce your countable income. (However, the spousal income must also be added into the equation.)

## **AID & ATTENDANCE**

Aid & Attendance is the highest level of Improved Pension available to any United States Military veteran (or his surviving spouse) who meets the service, financial, and physical criteria. If the VA determines you meet their criteria, you are eligible for the following:

*A single veteran -- \$18,234 per year;*  
*A veteran with a dependent -- \$21,615 per year;*

*A surviving spouse -- \$11,715;*  
*A surviving spouse with a dependent -- \$13,976;*

### **How do I know if I meet the physical criteria?**

A veteran or surviving spouse who requires daily assistance may be eligible. The individual need not be bedridden – nor does he/she need to be in an assisted living or home health care situation. If a physician confirms that your physical limitations are such that you cannot live unattended, then the VA may determine that Aid & Attendance is warranted.

Just as with the BASIC Pension and the HOUSEBOUND Benefit, the applicant must meet the service criteria (90 days, one of which overlaps one of the VA-indicated periods of wartime). In the case of a surviving spouse, the deceased veteran must have met the service criteria.

Just as with BASIC and HOUSEBOUND pensions, the following financial criteria applies:

Financial Criteria: You must have a “countable income” of less than the pension amount to be eligible for all or a portion of the pension.

Financial Criteria: The VA must determine that your net worth is such that it will probably not support you through the remainder of your life. The VA does not include primary residence or vehicles when determining net worth.

Unlike, BASIC and HOUSEBOUND pensions, your doctor must confirm that your physical condition has deteriorated to the point that you require daily assistance from others in order to function.

Definition: Countable Income – the amount of income a veteran or surviving spouse receives each year, AFTER deducting all unreimbursed, recurring health care expenses. This includes assisted living costs, home health care, insurance premiums, Medicare premiums, on-going prescriptions and more.