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War: One Thing It's Good For

By KELLY GREENE



Millions of families of wartime veterans are failing to take advantage of a little-known benefit that could help pay for long-term care.

The Department of Veterans Affairs' so-called aid-and-attendance benefit pays a maximum of \$1,949 a month to married veterans who qualify. Single veterans and surviving spouses may be eligible for smaller payments.

To qualify, veterans must have served at least 90 days of active military service, including at least one day during a war, and not have been discharged dishonorably. (The rules are stricter for wartime veterans who entered active duty starting Sept. 8, 1980.) They also must meet certain thresholds for medical need and financial need.

Almost 105,000 veterans were using the benefit as of last year, along with a large number of widows, according to the VA. But the pool of potential recipients could be much higher: 2.3 million veterans who served in World War II still are living, according to VA estimates, plus another 2.6 million who served in Korea and 7.7 million in Vietnam.

"This can be really important not only for older Americans, but also for their kids if they're trying to deal with mom and dad and how they're going to pay" for assisted-living and other long-term-care services, says Tom Pamperin, an associate deputy undersecretary in the VA's Veterans Benefits Administration.

The benefit has been underused, he says, because "it doesn't occur to veterans in their 70s who may have had no encounter with the VA other than qualifying for a home loan 40 years ago that there are benefits payable to them."

Their children often aren't aware of the benefit, either. Kathryn Ann McKenzie's 93-year-old father, Harry "Mac" McKenzie, suffers from Alzheimer's disease. She ramped up her search for an assisted-living facility near her Maryland home two years ago after he made a late-night call from his home in Pennsylvania during a snowstorm: He said he didn't know where he was.

On a tour of a Sunrise Senior Living facility in Frederick, Md., Ms. McKenzie mentioned that her father was a World War II veteran—a cartographer and first sergeant in charge of 400 men who made maps from aerial photographs used in the invasion of Normandy. She was referred to a law firm that helps families file benefit applications.

Ms. McKenzie's father now receives about \$1,600 a month, tax-free, through the VA program to help meet his assisted-living facility expenses of \$5,500 and his additional medical care and insurance premiums, Ms. McKenzie says.

A couple's actual income can't be higher than \$23,396 (\$19,736 for an individual or \$12,681 for a veteran's widow or widower). That number may sound low, but veterans whose annual earnings exceed that amount still qualify if their income falls to that level after deducting unreimbursed medical expenses, such as the cost of assisted living, home health care, prescription drugs or insurance premiums. (The veteran is responsible for his or her first 5% of medical expenses, but Medicare Part B premiums usually take care of that requirement, Mr. Pamperin says.)

Generally, if the veteran has less than \$80,000 in liquid assets, not including a home or personal car, "we don't have to do a net-worth determination," Mr. Pamperin says.

The medical thresholds include needing help from another person with functions required in everyday living, such as bathing, eating or dressing, or being bedridden, blind or a patient in an assisted-living facility or nursing home due to a mental or physical disability.

Veterans hoping to qualify can seek out free help through service groups, which they can find through a regional, state or county-level veterans office, Mr. Pamperin says. (Go to www.va.gov, click on "Locations," and then click on "State Veteran Affairs offices," "Veterans Service Organizations" or "Regional Benefits Offices.")

Sunrise, a large assisted-living provider based in McLean, Va., has seen attendance triple at events about this particular benefit in the past year. "More people attend than on any other topic," says Kelly Singleton Myers, Sunrise's senior vice president of sales.

She says Sunrise sales representatives have started asking "everyone who comes in the door" if they, or their spouse, is a veteran, referring those who say yes to lawyers or other agents who have been accredited by the VA to help prepare the application and gather information.

One big caveat: Some of the groups hosting free seminars about aid-and-attendance benefits might try to sell an annuity, trust or other financial-planning instrument to help veterans trying to qualify. And those products might be costly and unsuitable, depending on the veteran's situation and age.

"I've got a case right now where we're going after a financial planner who sold an annuity with a 16-year surrender penalty to someone who was 80 years old," says James Swain, a Roswell, Ga., attorney who is accredited to prepare veteran-benefits applications.

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