



## **Understanding VA Disability Benefits**

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Most people are aware, to some extent, that the Veterans Administration (VA) offers benefits for service-related disabilities. Many don't realize, however, that for veterans with war-time service—even if stationed stateside—there may be coverage for certain non-service-related disabilities, as well. Here's an overview:

### **Service Connected Disability Compensation**

Tax-free payments, based on a sliding scale of disabilities, are available to veterans whose injury or disease results from military service. This includes related conditions which may not have produced symptoms prior to discharge. Higher rates of compensation are awarded for specific categories, such as loss of a limb, the effects of Agent Orange or supports needed for "activities of daily living," such as bathing, dressing and dispensing of medication. Compensation for daily living supports is also available for parents and spouses.

### **Dependency and Indemnity Compensation (DIC)**

Tax-free payments are provided to surviving spouses, children and parents of military personnel who have died during active duty, in training or as the result of a service-connected disability. Income limits apply in the case of parents.

### **Non-Service-Connected Pension with Aid and Attendance**

Veterans with non-service-related disabilities, who completed at least one day of active duty service during a war-time period (World War II, the Korean War, Vietnam or the Gulf War) and served for a minimum of 90 days, may be eligible for non-taxable "Aid and Attendance." It does not matter that they may have been stationed stateside or outside a combat zone. Veterans who may have too much income to qualify for the base low-income pension may qualify for Pension with Aid and Attendance if they have high medical care expenses. Aid and Attendance may pay for the cost of caregivers who assist individuals with two or more activities of daily living (ADLs). Such services can be provided in the home, in a personal care or assisted living facility, or nursing home. Spouses are also eligible. This benefit has stringent income and asset requirements. A veteran who has a high income, however, may still be eligible after the deduction of recurring, unreimbursed medical expenses, including prescriptions, insurance premiums and caregiver costs.

Although there is currently no penalty for “spending down” assets before applying, pending federal legislation is likely to penalize individuals who dispose of assets at less than their fair market value within three years of filing. While the value of an individual’s primary residence is not considered in the asset calculations, if the home is subsequently sold to help pay for a greater level of care, those funds could interrupt Aid and Attendance payments and require reapplication once the money has been spent. For this reason, it’s important to analyze long-term needs and options before submitting a claim.

### **Disability Claims Backlog**

The VA is notorious for its backlog of disability claims. Legislation before Congress has established a commission to tackle this problem, with the goal of approving or denying all claims within 125 days of submission-although appealing a decision will likely continue to be a drawn-out process. One existing way to speed an application is to submit a “fully developed claim,” which is intended to expedite the determination process. In such instances, applicants request that the VA base its evaluation on the package as initially submitted, without requesting additional documentation, as is often the case. There’s little downside to this approach, since applicants retain the right to resubmit a more complete package if their request for benefits is initially denied. There are also online versions of various “[Disability Benefits Questionnaires](#)” that enable claimants to organize their information in a uniform format that eases the evaluation process. The status of an application can be tracked by registering at [www.ebenefits.va.gov](http://www.ebenefits.va.gov).

### **Summary**

Often, VA staff members may not apprise potential applicants of the financial planning that can be critical to attaining eligibility for Aid and Attendance. Additionally, the necessary income and asset calculations necessary to determine eligibility can be complex, and small omissions in the application package often result in a considerable delay. For these reasons, working with a VA-certified special needs attorney can make all the difference in being able to attain timely eligibility for benefits.

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