



Weatherby & Associates, PC  
Counselors at Law

Helping Families Preserve and Protect Assets and Values

## *Understanding the VA Aid & Attendance Benefit*

*(Referred to by the VA as the Veterans Improved Pension Benefit)*



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## What is the VA Aid and Attendance Benefit?

If you are a wartime Veteran or a widow(er) of a Veteran, you may qualify for a long-term care benefit from the Veterans Administration. Most people who are aware of this benefit refer to it as the VA Aid and Attendance Benefit. However, the VA refers to the benefit as the Veteran's Pension or Improved Pension Benefit.

In order to qualify for the Veteran's Pension Benefit, the veteran must not have been dishonorably discharged, must have served at least 90 days active duty with at least one day served during a declared state of war, and must be either disabled or over age 65.

### Eligibility for the Veterans Pension Benefit: Official Dates for Periods of War

Mexican Border	May 9, 1916 to April 5, 1917
World War I	April 6, 1917 to November 11, 1918 [or through April 1, 1920 if served in Russia]
World War II	December 7, 1941 to December 31, 1946
Korean War	June 27, 1950 to January 31, 1955
Vietnam War	August 5, 1964 to May 7, 1975, or From February 28, 1961 to May 7, 1975 but <b>only if</b> you served in Republic of Vietnam
Persian Gulf War	August 2, 1990 to [date not yet determined]

This benefit is non-service-connected and service in combat is not required. Widows of veterans may also qualify for benefits. The benefit can be available to an un-remarried surviving spouse of a qualified deceased veteran, which the VA calls the Death Pension.

There is a companion benefit to the VA Pension Benefit called Compensation. The compensation benefit is for veterans who are disabled because of injuries or illnesses incurred while on active duty. A veteran household cannot receive Pension and Compensation benefits at the same time. A decision must be made as to which benefit is better and the veteran must choose only that benefit. Compensation is usually the more desirable benefit for a number of reasons, but if a veteran is potentially eligible for both benefits the household should consider the pros and cons of each to make an informed decision for their individual situation.

## What Is This Benefit Called Again?

Most veterans who would likely meet the eligibility criteria are unaware of the Veterans Pension Benefit. The VA estimates that only 4.7% of eligible individuals are receiving Veteran's Pension Benefits. A lot of the confusion and lack of awareness about this benefit may be due to its name. Most people think of a pension as a benefit received upon retirement after a certain length of service, either with the military or with a civilian employer. However, the Veterans Pension Benefit only requires 90 days of active service and only one day served during a declared state of war. Elderly veterans who left the military long before they were eligible for retirement benefits are unlikely to hear the name "Veterans Pension Benefit" and think that this benefit is applicable to them.

Another source of confusion surrounding the name of this benefit is that it is most commonly called the VA Aid and Attendance Benefit. This commonly used name is also misleading, because Aid and Attendance is the official name of only one level of the Veterans Pension Benefit. There are actually several levels to the Veterans Pension Benefit with varying eligibility requirements. The Aid and Attendance Benefit is specifically the name of the highest benefit level with the strictest eligibility criteria. If you meet the service criteria for the Veterans Pension Benefit, it is still possible to qualify for a lower level of the benefit, even if you do not meet all of the necessary requirements for the "Aid and Attendance" level. However, because the benefit is often referred to as the VA Aid and Attendance Benefit, the lower benefit levels can be easily overlooked.

## Determining Eligibility

There are three levels of the Veteran's Pension benefit: Basic, Housebound, and Aid and Attendance. Each level has its own qualifications. In order to qualify for any level of the benefit, a veteran household must meet the service criteria as well as meeting an income test and asset test. For the Housebound and Aid and Attendance levels, the applicant must also meet a medical needs test. Veterans or surviving spouses can qualify for the Basic benefit, the first level of the Pension Benefit, by meeting the VA countable income and net worth limitations. Eligibility for the basic level is not based on medical need.

The Housebound Benefit, the second level of the Pension Benefit, also requires that the applicant meet the countable income and asset limitations. Additionally, the applicant must be required to stay in his or her home for their safety or the safety of others. Short trips for necessities are allowed, but long trips away from home are not. If the applicant does not have to stay housebound for safety reasons, they will not qualify for this level of the Pension Benefit.

The Aid and Attendance Benefit is the third and final level of the Pension Benefit. This level

requires the applicant to meet the income and asset limitations, just as with the Basic and Housebound levels. In addition, in order to qualify for the Aid and Attendance Benefit, the applicant must have a medical condition so severe that they “require the regular attendance of another person” to assist in activities of daily living (ADLs) such as eating, bathing, and dressing. This test is the same whether the applicant lives at home or resides in an assisted living or nursing facility. The benefit can be used to pay for care in the applicant’s home or in an appropriate facility.

## Calculating “Countable Income”

The VA does not look at gross income to determine whether an applicant meets their income limitations. Instead, they look at “countable income,” also called Income for Veterans Affairs Purposes (IVAP). Countable income is determined by taking the estimated total annual income of the veteran or surviving spouse and subtracting 95% of all annual out-of-pocket health care expenses, such as the cost of home care services, health insurance premiums (including Medicare premiums), and regular prescriptions. Public assistance, such as Supplemental Security Income (SSI), is not considered income for the purposes of calculating the applicant’s countable income.



Calculating out-of-pocket health care expenses can be complicated. Unless the veteran has been rated as “housebound” or in need of “aid and attendance,” only recurring, unreimbursed medical expenses for specific medical care provided by licensed health care professionals will be considered in the calculation of out-of-pocket health care expenses. If a veteran has not been rated in one of these categories, costs for room and board or custodial care in places like assisted living, residential care, and adult day care facilities are unlikely to be taken into account when calculating medical costs. However, if a veteran has been rated as housebound or in need of aid and attendance, the VA will allow reasonable costs to be counted as prospective, annualized medical expenses as long as some of those costs are paid for medical care. For example, if a veteran suffering from Alzheimer’s disease has a statement from a physician indicating that the person needs to be in a “protected environment,” and the facility provides medical services or assistance with ADLs to the veteran, the VA will rate that person as needing aid and attendance and allow the nonmedical costs associated with remaining in an appropriate facility to be deducted from the person’s countable income.

Properly arranging a veteran’s affairs so that he or she can meet the VA’s countable income requirements is an important reason to consult a VA-accredited attorney to help you through the application process.

## How Much Money Can You Receive from the Veteran's Pension Benefit?

The Veteran's Pension Benefit offers nine different benefit categories based on whether the award is for a veteran with a spouse, a single veteran, or the single surviving spouse of a deceased veteran. There are also rates associated with additional dependent children. Typically, an older veteran household will have dependent children if they have one or more totally disabled or special needs adult children living in the home. If the older veteran is married to a younger spouse, children may also be involved. The amount of money available is different for each of these categories. Benefits are paid monthly and, therefore, the award is divided by 12 and rounded down.

### 2015 Maximum Monthly Pension Income for Each Category FOR THE VETERAN

	With No Dependents	With One Dependent (Spouse or Child)
Basic	\$1,072.33	\$1,404.25
Housebound	\$1,310.42	\$1,642.50
Aid and Attendance	\$1,788.83	\$2,120.67

### FOR THE SINGLE SURVIVING SPOUSE

	With No Dependents	With One Dependent (Spouse or Child)
Basic	\$719.16	\$941.33
Housebound	\$879.00	\$1,100.75
Aid and Attendance	\$1,149.50	\$1,371.33

### TWO VETERANS MARRIED TO EACH OTHER

	Either Veteran Receiving Benefit	Both Veterans Receiving Benefit
Basic		\$1,404.25
Housebound	\$1,642.50	\$1,880.50
Aid and Attendance	\$2,120.67	\$2,837.50
One Housebound and the Other Aid and Attendance		\$2,358.33

**For Each Additional Child/Dependent, Add \$183.17 to the Above Rates**

## What Should You Do Next?

The information in this packet is meant to familiarize you with the Veteran's Pension Benefit. If you think that you or a loved one might qualify for benefits, the next step would be to enlist the service and advice of an experienced, Veterans Administration Accredited attorney who understands the Pension Benefit, as well as Medicaid planning rules and other estate planning issues. Advisors such as a VA accredited attorney and a knowledgeable, experienced financial planner can help veteran households rearrange assets, make legally effective transfers, and assist with other estate planning needs in order to qualify a veteran household for a pension benefit.



It is extremely important that you involve an attorney who has experience with Medicaid planning if you plan on transferring or otherwise rearranging assets in order to qualify for the Veteran's Pension Benefit. There is a high probability that the veteran, the spouse, or the surviving spouse of a veteran household may need nursing home care in the future. Such care is very expensive and the individual's income plus the

veterans benefit rarely pay for the cost of a nursing home. This means the veteran may have to rely on Medicaid to cover the deficit. Assets reallocated to qualify for VA benefits could create penalties for Medicaid eligibility, underscoring the importance of planning for the possibility of having to apply for Medicaid in the future.



# Weatherby & Associates, PC

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### YOUR PARTNER IN CREATING A BETTER FUTURE

For over 20 years, the attorneys at Weatherby & Associates, PC have helped Connecticut families set goals and turn them into reality, creating a better, more secure future. From estate planning and asset protection strategies to business succession planning, administering probate estates and ensuring the best health care possible for loved ones in need, Weatherby & Associates, PC takes a close look at the unique needs of every individual, family or business to develop a truly individualized strategy that is sure to achieve their objectives.

### YOUR FAMILY IS OUR FAMILY

We understand how important your family is to you, how well you want them to be cared for, and the important role your hard-earned assets or business play in the future of your family. As a firm, Weatherby & Associates, PC is committed to caring for your assets, business, health care needs and plans for the future as if they were our very own. Every step we take is designed to give you peace of mind and security, right down to our unique approach for ensuring your plan and documents stay current with our exclusive LifeBridge™ program.

Honoring parents and aging loved ones with the best of care and a home they can enjoy for the remainder of their days is a desire that simply comes naturally. Unfortunately, many families put off planning for the potential needs of aging members until illness or disability compels them to action, often forcing them to accept less than optimal solutions and burdening them with sudden financial strains they are not prepared for. Onset of illness or disability shouldn't mean surrendering to a lifestyle of dreary environments, loneliness and hardship. The Weatherby & Associates, PC Life Care Planning team can help with a wide variety of services and solutions to give your loved ones a better life in their aging years. Get started on a plan to ensure the best possible care and living opportunities for your parent or other aging loved one. Call our Life Care Planning attorneys today to schedule an initial consultation: 888-822-8778 (Toll Free)

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