

NON-SERVICE CONNECTED PENSION W/ AID & ATTENDANCE
Effective 10/18/18

- ❖ **OLD REGS:** Unlike Medicaid, no transfer penalties but net worth test (Will you outlive your assets?) & unreimbursed medicals must > income.

For example: If veteran is 92 and has an estimated lifespan of 93, would their assets be spend by then? If they answer is yes, they would qualify, if the answer is no, they would not qualify.

- ❖ **NEW REGS:** Like Medicaid there are now transfer penalties, and there is a specific net worth test (Medicaid community spouse resource allowance known as the CSRA which, in 2018, is \$ \$ 123,600.00).

For example: If a veteran lies about assets and qualifies for benefits. Once the VA completes audit, they will have to pay all the money VA gave them in benefits, plus there would be penalties in the form of fines, which means more money and (last but not least) they could go to prison for committing fraud.

- **OLD REGS:** Some income is excluded (e.g., public benefits). Spousal income & assets are included. Assets excluded in net worth are very few (e.g., homestead & personal effects). \$ 80,000 cap on "net worth" is merely a "rule of thumb."
- **NEW REGS:** \$ 123,600.00 net worth cap for 2018 - this will change annually and will track the Medicaid number for its CSRA.
- **OLD REGS:** Home health Aides did not require any formal training.
- **NEW REGS:** All home-health Aides, (from a private or professional) whomever is going to provide the care to the Veteran, must be (Basic First Aid) and (CPR) qualified as a minimum.

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HIGHLIGHTS

There will now be a **mandatory 3 year (36 month look-back)** for transfers. Transfer penalties (translated=ineligibility) will be up to 5 years. This is now possible due to VA, SSA, SEC, FTC, IRS and other agencies now being online together. Previously, look-backs were a manual process requiring many people with extensive man-hours. Computers have eliminated this obstacle.

- A. Net worth ("assets" in the Medicaid world) are capped for an individual or a married couple at the Medicaid CSRA figure, which, in 2018, is \$ 123,600 [& which changes annually].

- B. Net worth will be calculated as follows:
 - 1. Countable assets +
 - 2. Income (minus **unreimbursed medical expenses/UME's**)

Example:

- Joe's countable assets are \$120,000.
- His monthly income is \$ 4,000.00.
- Assets now total \$ 124,000.00 [too much for Pension].

- **But** his UME's are deducted (UME's are \$ 5,000/month - aides, Rx's, etc.) His net worth = \$124,000 - \$ 5,000 = \$ 119,000.00.
Bottom Line: Joe is eligible. Why? Because he is now under the maximum threshold annually AND monthly because of UMEs.

For veteran or vet's widow/er:

- ✓ **Requires qualifying veteran prior to 1980 to have 90 days active duty**
 - ***(including 1 day wartime) THAT IS NOT FOR TRAINING PURPOSES ONLY (e.g. boot camp and advanced schooling for Reserves/Guard.)***

- ✓ **If the active duty occurred after September 1, 1980, you must have served at least 24 months or the full period that**

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you were called up (with some exceptions).

✓ **Wartime Dates:**

World War II (12/7/41-12/31/46);

Korean War (6/25/50-1/31/55);

Vietnam War (8/5/64-5/7/74) **also** 2/28/61-8/4/64 **IF** physically served in **RVN** (Republic Viet Nam) during that time;

Persian Gulf War (8/2/90 - present)

- ✓ You must also be: Age 65 or older with limited or no income - or - totally and permanently disabled - or - a patient in a nursing home receiving skilled nursing care - or - receiving SSDI or SSI.
- ✓ A vet without dependents in a nursing home only gets \$ 90/month.
Note: VA is considering penalties for transfers & policy is currently under review. 3 year lookback but penalties up to 10 years!!!

Beware of transfers if also considering Medicaid! Medicaid: 5 yr. lookback & penalties!

\$ 8,944 is current penalty divisor (Ex: \$ 150,000 transfer'd = 16.8 months denial) Max.benefit paid (2018): Vet & 1 dependent \$ 2,169; Single Vet \$ 1,830; Widow \$ 1,176.

Apply at www.va.gov

SMP = Special Monthly Pension [Basic Improved Pension]
MAPR = Maximum Annual Pension Rate
IVAP = Countable Income for VA Purposes

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HYPOTHETICAL SCENARIO:

Veteran John Doe - single - no dependents - net worth is \$ 30,000 (excluding home + old car). John files for Pension w/ Aid & Attendance.

- Monthly income (SSA & Pension) - \$
1,830 (IVAP) MAPR = \$
21,962/year or \$ 1,830/month
- MATH: \$ 1,830 [MAPR] - \$ 1,800 [IVAP] = \$ 30.00
- \$ 30.00 then divided by 12 = \$ 2.50 monthly pension rate

BUT - What if Vet has home health aides costing \$ 4,000 month - or - he is in an ALF costing \$ 5,000 a month? He is "in debt," and eligible for MAPR!!!! (e.g. Home health aides, paid out of pocket = an unreimbursed medical expense (UME) The ALF entire bill = an unreimbursed medical expense (UME).

- For eligibility, UME's must be greater than 5% of the MAPR (\$ 1,829). (UME's of \$ 4,000/mo. or \$ 5,000/mo. must be greater than 5% of MAPR - or - greater than \$ 200/mo or \$ 250/mo)

- OR -

- Simply take income & contrast with UME's - if UME's are higher, vet is eligible for MAPR!

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2018 PENSION RATES

<u>Veteran with 1 dependent</u>	MONTHLY	ANNUALLY
Basic Improved Pension	\$ 1,436	\$ 17,233
Housebound	\$ 1,679	\$ 20,159
Aid & Attendance	\$ 2,169	\$ 26,034

Single Veteran (0 dependents)

Basic Improved Pension	\$ 1,096	\$ 13,158
Homebound	\$ 1,340	\$ 16,089

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Aid & Attendance	\$ 1,829	\$ 21,958
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Widow or Widower

Basic Improved Pension	\$ 735	\$ 8,825
Housebound	\$ 898	\$ 10,783
Aid & Attendance	\$ 1,176	\$ 14,112

Note: The entire new Department of Veterans Affairs Law (38 CFR Part 3), RIN2900-AO73 (Net Worth, Asset Transfers, and Income Exclusions for Needs-Based Benefits with full summary can be read in its entirety (29 pages) in the below website: