



Edison Township Department of Health & Human Services
Division of Senior Citizen Services
May 2019

Veterans Administration Implements Look Back and Net Income Rules When Applying for Non-Service Connected Financial Assistance

In September of 2019, the Department of Veterans Affairs (VA) released new rules for non-service connected disability pensions. These are needs-based payments that provide tax-free monthly monetary benefits for disabled and elderly veterans or their surviving spouses. (Veterans must have served during war time.)

This needs-based benefit program is for wartime **Veterans**, who are age 65 or older or have a permanent or have a non-service connected disability, and who have limited income and net worth. Veterans who are more seriously disabled may qualify for pensions at the increased housebound or aid and attendance rates.

Veterans may still receive Social Security payments, but these payments will be considered income.

Unlike Medicaid, the VA has never had a look back rule or set net worth limits until now. The look back period, establishes a period of 36-months (3 years) in which the VA “looks back” on all asset transfers. In the past, there was no penalty period for gifting/selling assets for less than fair market value. Now, the 36 month look back period begins the date of application, dating back three years. If someone is found to be in violation of the look back rule, a period of VA benefit ineligibility (up to 5 years) will be the penalty. More detailed information regarding income and look back penalties is available in the senior center office.

Who is eligible?

You may be eligible if you meet the following criteria:

- You were discharged from service under other than dishonorable conditions, AND
- You served 90 days of active duty with at least one day during wartime, *AND
- Your countable income is below the maximum annual pension rate (MAPR), AND
- You meet net worth limitations AND
- You meet one of the following criteria:
 - o You are age 65 or older.
 - o You have a permanent and total non service-connected disability.
 - o You are a patient in a nursing home due to mental or physical incapacity.
 - o You are receiving Social Security disability benefits.

*Veterans who entered active duty after September 7, 1980, must serve at least 24 months of active-duty service. If the length of service is less than 24 months, the Veteran must have completed their entire tour of active duty.

How much does VA pay?

1. VA determines the Maximum Annual Pension Rate (MAPR) for your situation. This amount is set by Congress.
2. Next, VA determines your countable income. This is done by subtracting exclusions provided by law from your total annual income.
3. VA then subtracts your countable income from the MAPR. This difference is your yearly pension entitlement.
4. VA divides this amount by 12 and rounds to the nearest dollar. This is the approximate amount of your monthly pension payment.

The VA deducts certain expenses you pay, such as unreimbursed medical expenses, from your annual household income. This will decrease your countable income and increase your monthly pension payment.

How can you apply?

You can apply for pension by filling out VA Form 21P-527EZ,
“Application for Pension,” located at
<http://www.vba.va.gov/pubs/forms/VBA-21P-527EZ-ARE.pdf>.

New Jersey residents should mail or fax the form and Veteran’s death certificate to

Philadelphia VA Regional Office

Department of Veterans Affairs

Claims Intake Center

Attention: Philadelphia Pension Center

P. O. Box 5206

Janesville, WI 53547-5206

Fax: 1-844-655-1604

For more information on VA Pensions visit the web pages listed above, or
call 1-800-827-1000.