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Benefits for Service-Disabled Veterans

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Summary

The Department of Veterans Affairs (VA) administers programs and provides benefits to qualified former U.S. servicemembers with service-connected disabilities (i.e., service-disabled veterans). These benefits can compensate a veteran for an injury or provide assistance to enable a veteran to have a higher quality of life.

To qualify for benefits discussed in this report, a veteran must have a physical or mental condition that was "incurred or aggravated" in the line of military duty that resulted in a disability. Service-connected disabilities are rated on a scale from 0% to 100%, in 10% increments, using a VA Schedule for Rating Disabilities (VASRD). Disability ratings are used to determine eligibility for various types of benefits and the amount of disability compensation benefits a veteran can receive. This report describes major VA benefit programs that are limited to veterans with service-connected disabilities.

- **Veterans Disability Compensation:** a monthly cash payment to a veteran with a service-connected disability. Veterans with higher disability ratings are entitled to higher payments.
- **Vocational Rehabilitation and Employment:** supports services for a veteran with an employment handicap to assist the veteran in obtaining and retaining suitable employment.
- Housing Grants and Benefits:
  - **Specially Adapted Housing Grants:** support the construction or acquisition of a new home or the remodeling of an existing home to help the veteran live independently in a barrier-free environment.
  - **Special Housing Adaptation Grants:** support modifications to a veteran's home to accommodate a disability but support less-intensive modifications than Specially Adapted Housing Grants.
  - **Home Improvements and Structural Alterations Grants:** can be used to improve a veteran's access to his or her home or to facilitate continuation of treatment for the veteran's disability.
- Other Grants and Benefits:
  - **Automobile and Special Adaptive Equipment Grants:** can be used to purchase an automobile or to purchase adaptive equipment for an existing automobile to make it safe or legal for the veteran to use that vehicle.
  - **Clothing Allowance Grants:** for veterans who utilize medical devices or medications that are likely to damage the veteran's clothing.
  - **Service-Disabled Veterans Insurance:** life insurance for service-disabled veterans.

This report does not discuss health care services provided by the Veterans Health Administration and other benefits that are available to veterans who may or may not have service-connected disabilities.

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Introduction

The federal government, through Department of Veterans Affairs (VA), supports a number of benefits for qualified former members of the Armed Forces. Some of these benefits are targeted to veterans who, in the course of their service, incurred or aggravated an injury or contracted a disease, qualifying them as service-disabled veterans.

This report discusses major benefits that are provided to individual service-disabled veterans by the Veterans Benefit Administration (VBA). In some cases, it may omit smaller VA programs.[1] This report divides benefits into four categories:

1. **Disability Compensation** is a monthly payment for veterans who have been determined to have a service-connected disability.
2. **Vocational Rehabilitation and Employment benefits** typically support service-disabled veterans in obtaining and maintaining suitable employment.
3. **Housing grants and benefits** can assist veterans in modifying their homes to accommodate a service-connected disability.
4. **Other grants and benefits** are available to qualified subsets of service-disabled veterans, including grants for automobiles, or clothing.

Table 1 summarizes the programs discussed in this report. As the table shows, the programs vary in both funding levels and the number of beneficiaries served.

Programs Not Included in This Report

In addition to the programs described in this report, service-disabled veterans also are typically eligible for programs that are available to the broader veteran population, including health care. This report does not discuss benefits that are available through the Veterans Health Administration (VHA) to both service-disabled and nonservice disabled veterans.[2]

Definition of a Service-Disabled Veteran

To be considered a veteran with a service-connected disability, a former member of the Armed Forces must first meet the statutory definition of *veteran*. As provided in statute, a veteran is "a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable."[3] In general, a person must have served a minimum period of active duty, other than active duty for training; served the full period for which the person was called to active duty; or incurred a service-connected disability while on active duty or active duty for training to be considered a veteran for the purposes of most federal benefits.

[1] It also may omit programs administered by other agencies, such as the Department of Labor's Disabled Veterans Outreach Program, and more general policies, such as preference for disabled veterans in hiring for federal employment.

[2] For additional information on veterans health benefits, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

[3] 38 U.S.C. §101(2). For additional information on the definition of a veteran, see CRS Report R42324, *Who Is a "Veteran"?—Basic Eligibility for Veterans' Benefits*.

A *service-connected* disability is a physical or mental injury or condition that was "incurred or aggravated" in the line of military duty and that results in a disability.[4] A service-connected disability need not be connected to combat or service during a period of war. In addition, a disability incurred or aggravated while receiving VA-sponsored medical treatment or vocational rehabilitation is considered service-connected.

A *disability* is based on the inability of "the body as a whole, or of the psyche, or of a system or organ of the body to function under the ordinary conditions of daily life including employment."[5]

Table 1. Department of Veterans Affairs' Major Benefits for Service-Disabled Veterans

Program	FY2019 Funding ($ in millions)	FY2019 Participants
Disability Compensation	$87,647	4,944,275
Vocational Rehabilitation and Employment (VR&E)[a]	$1,388	122,249
Housing Grants and Benefits		
Specially Adapted Housing (SAH)[b]	$118	2,055
Special Housing Adaptation (SHA)	$3[b]	215
Home Improvements and Structural Alterations (HISA)	n/a[c]	n/a[c]
Other Grants and Benefits		
Automobile Grants	$40	1,969[d]
Adaptive Equipment Grants	$97	7,039[d]
Clothing Allowance Grant	$130,927	160,774[e]
Service-Disabled Veterans Insurance (S-DVI)	$2,934[f]	279,112

Source: Congressional Research Service (CRS) compilation of data from Department of Veterans Affairs (VA) FY2021 Volume III budget justification, https://www.va.gov/budget/products.asp, and Veterans Benefits Administration (VBA) FY2019 annual report, https://www.benefits.va.gov/REPORTS/abr/docs/2019-abr-v2.pdf#. Except where otherwise noted, FY2019 funding data are taken from the FY2021 budget justification and FY2019 participant data are taken from the VBA FY2019 Annual Report.

Notes:

a. Data are limited to veterans who were receiving benefits at the end of FY2019. See pages 217-218 of VBA FY2019 annual report.

b. Table amounts are the SAH and SHA grants disbursed for each program. See page 209 of VBA FY2019 annual report.

c. HISA grants are not included in the table because VA does not produce a publicly available breakout of the amount of funding and number of recipients.

d. VA FY2021 Budget Justification Volume III page VBA-75.

e. VA FY2021 Budget Justification Volume III page VBA-49 and 50.

f. VBA FY2019 Annual Benefits Report, page 178.

[4] 38 U.S.C. §101(16).

[5] 38 C.F.R. §4.10.

Disability Rating

The VBA determines a disability rating (from 0% to 100%, in 10% increments) for a veteran using the Veterans Affairs Schedule for Rating Disabilities (VASRD). VASRD is a series of schedules for each system in the human body provided in the *Code of Federal Regulations* (C.F.R.).[6]

For example, for an eye-related disability,

- 38 C.F.R. §§4.75-4.78 provides information on how to evaluate various functions of the eye and visual impairments.
- 38 C.F.R. §4.79 provides the specific schedule that assigns a disability rating (0% to 100%) for each specific condition and set of symptoms and other factors.

To continue the eye example, if a veteran has a detached retina, this condition could be rated from 10% to 60% based on the schedule. For example,

- "With documented incapacitating episodes requiring at least 1 but less than 3 treatment visits for an eye condition during the past 12 months," then the rating would be 10%; or
- "With documented incapacitating episodes requiring 7 or more treatment visits for an eye condition during the past 12 months," then the rating would be 60%.

If a veteran has more than one rated disability, then the ratings are not added together but rather combined using the formula provided in regulation.[7] If a veteran believes his or her disability has worsened, he or she may ask for a reexamination to increase the rating. VA has the authority to reexamine veterans who receive disability benefits at any time when VA determines there may be a need to verify the continued existence or current severity of the disability. However, if VA determines the veteran's disability has improved, it can reduce the veteran's disability rating.[8]

Veterans Disability Compensation[9]

Veterans Disability Compensation (VDC) is a monthly cash payment to a veteran with a service-connected disability. The payment is determined by the veteran's disability rating and number of dependents, including a spouse.[10]

Eligibility

A veteran is eligible for VDC if the veteran has a service-connected disability rated as at least 10% disabling. The veterans disability rating may be elevated to 100% if

- the veteran has a rating of at least 60% for one disability; or
- the veteran has two or more disabilities with one disability rated at least 40% and a combined rating of at least 70%; and

[6] 38 C.F.R. §§4.1-4.150.

[7] 38 C.F.R. §4.25.

[8] 38 C.F.R. §3.327(a).

[9] This section was prepared by Heather M. Salazar, Analyst in Veterans Policy.

[10] A complete table of benefit rates is available at U.S. Department of Veterans Affairs (VA) website, at https://www.benefits.va.gov/COMPENSATION/resources_comp01.asp.

- is unable to work at a "substantially gainful occupation" due to service-connected disabilities.[11]

If the veteran meets the above disability rating and is unable to secure or maintain gainful employment, it is called Individual Unemployability (IU) and the veteran's disability compensation is paid at the 100% level.[12]

Benefits

VDC is paid as a monthly cash benefit and increased in line with a higher disability rating.[13] For example, in 2020, a single veteran with no spouse or dependents is eligible for a monthly VDC benefit of $142.29 for a 10% rating; $893.43 for a 50% rating; and $3,106.04 for a 100% rating. For those veterans with a 30% or above disability rating and a spouse or other dependents, the veterans' benefits will be increased accordingly.[14] Veterans whose disability rating is less than 30% are not eligible for an increase in their monthly benefit for a spouse or dependents.

VDC benefits are not automatically adjusted for annual cost-of-living increases. However, Congress generally passes legislation annually to increase VDC benefits using the Social Security cost-of-living adjustment (COLA).[15]

A VDC beneficiary may also receive additional Special Monthly Compensation (SMC) if his or her disability results in a loss or loss of use of an extremity or organ or if the disability renders him or her housebound or in need of daily aid and attendance by another person. Various types of extreme disabilities qualify for SMC,[16] including but not limited to "the anatomical loss or loss of use of one or more creative organs, or one foot, or one hand, or both buttocks, or blindness of one eye."[17] The severity of the disability or combination of disabilities determines the compensation.[18]

Vocational Rehabilitation and Employment[19]

The Vocational Rehabilitation and Employment (VR&E) program provides employment-related services to veterans with a service-connected disability and an *employment handicap*.[20] The

[11] 38 C.F.R. §4.16.

[12] In the rare instance that a veteran does not meet the percentage requirements but is unable to work because of service-connected disability, the veteran's case is submitted to VA's Director of Compensation Service for a decision as directed by 38 C.F.R. § 4.16(b).

[13] In general, benefit payments made to, or on account of, a beneficiary under any law administered by VA are exempt from federal taxation. Furthermore, benefits are exempt, in most cases, from "attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary." See 38 U.S.C. §5301(a)(1).

[14] The updated benefit rates were effective December 1, 2019, to be paid in the first benefit check of 2020. For a complete table of benefit rates, see https://www.benefits.va.gov/COMPENSATION/resources_comp01.asp.

[15] The Veterans' Compensation Cost-of-Living Adjustment Act of 2019 (P.L. 116-58) increased the benefits to be paid in 2020 using the Social Security cost-of-living adjustment (COLA). For more information on the Social Security COLA, see CRS Report 94-803, *Social Security: Cost-of-Living Adjustments*.

[16] 38 U.S.C. §1114.

[17] 38 U.S.C. §1114(k).

[18] For further explanation of this benefit and the variables used to determine compensation, see https://vagov-content-pr-268.herokuapp.com/disability/compensation-rates/special-monthly-compensation-rates/#l-o-details.

[19] This section was prepared by Benjamin Collins, Analyst in Labor Policy. For more information on the Vocational Rehabilitation and Employment program, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*.

[20] VA defines an employment handicap as "an impairment of a Veteran or Servicemember's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests." See 38 C.F.R. 21.35.

program also provides independent living services for qualified veterans who may not be able to seek employment.

Eligibility

To be entitled to VR&E benefits, a veteran must have both

- a qualified disability rating; and
- a qualifying employment handicap determined by a VA vocational rehabilitation counselor (VRC).

A veteran with a disability rating of 20% or more is entitled to VR&E benefits if the VRC determines the veteran has an *employment handicap*. A veteran with a disability rating of 10% may qualify for benefits only if the VRC determines the veteran has a serious employment handicap.

In general, a veteran must complete a VR&E program within 12 years of separation from the military or within 12 years of the date the VA notifies the veteran that he or she has a compensable service-connected disability.

Benefits

An entitled veteran works with a VRC to develop a plan for attaining suitable employment and the services necessary to realize that plan. The VR&E program supports a wide range of costs associated with completing an employment plan, including tuition, fees, books, supplies, and supportive services. If the veteran requires training or education to become employable, the veteran receives a subsistence allowance while enrolled in training. In cases where employment is not possible, the VR&E program may provide independent living services or supplies or equipment related to independent living.

VR&E benefits are generally limited to 48 months, although the benefit period can be extended in certain circumstances.

Housing Grants and Benefits[21]

Several VA grants are available to assist veterans who have service-connected disabilities with their housing-related needs. VBA operates the Specially Adapted Housing Program, consisting of two subgrants. The program provides grants to veterans and servicemembers with certain service-connected disabilities to assist them in constructing, purchasing, or remodeling homes to fit their needs. VHA administers the Home Improvements and Structural Alterations grant to assist veterans in making their homes accessible.

Specially Adapted Housing[22]

Within the Specially Adapted Housing Program are two similarly-named grant programs for veterans: (1) the Specially Adapted Housing grant (SAH, or Section 2101(a) grant, after the section of Title 38 of the *U.S. Code*) was designed to assist veterans with mobility impairments;

[21] This section was prepared by Libby Perl, Specialist in Housing Policy.

[22] For more information about the Specially Adapted Housing Program, see CRS Report R42504, *VA Housing: Guaranteed Loans, Direct Loans, and Specially Adapted Housing Grants*.

and (2) the Special Housing Adaptation grant (SHA, or Section 2101(b) grant) was originally designed to assist veterans who were blind, and currently assists veterans who have lost the use of both hands.[23] Both of these adapted housing programs are also available to veterans with severe burn injuries or to make changes to the home of a family member with whom a veteran is residing temporarily (known as the Temporary Residence Adaptation (TRA) grant).[24] As of October 1, 2020, a veteran may use the SAH and SHA grants up to six times within the benefit guidelines discussed in the following subsections.[25]

Specially Adapted Housing Grants

Eligibility

SAH grants are available to veterans with permanent and total service-connected disabilities, with the exception of blindness, which requires permanent but not total disability, who satisfy the statutory disability criteria of having[26]

- lost (or lost the use of) both lower extremities and require the aid of braces, crutches, canes, or a wheelchair for locomotion;
- lost (or lost the use of) one lower extremity together with either (1) residuals of an organic disease or injury or (2) the loss or loss of use of one upper extremity, resulting in the required use of a cane, crutches, braces, or wheelchair for locomotion;
- lost (or lost the use of) both upper extremities such that they cannot use their arms at or above the elbows;
- blindness in both eyes with 20/200 visual acuity or less in the better eye with use of corrective lenses;[27] or
- severe burn injuries.[28]

An additional provision was added through the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012.[29] The provision stated that SAH grants are also available to veterans with a permanent service-connected disability who have lost (or lost the use of) one or more lower extremities in which the veteran's balance and movement is so affected they require braces, crutches, canes, or a wheelchair for ambulating. This disability must have occurred on or

[23] 38 U.S.C. §2101. In addition disabled active duty servicemembers may qualify for these programs. Servicemembers are made eligible at 38 U.S.C. §2101A.

[24] 38 U.S.C. §2102A.

[25] The Ryan Kules and Paul Benne Specially Adaptive Housing Improvement Act of 2019 (P.L. 116-154) amended the law to increase the total number of times a veteran can use the grants from three to six. 38 U.S.C. §2101(d)(3).

[26] 38 U.S.C. §2101(a).

[27] Prior to enactment of P.L. 116-154, SAH eligibility required blindness in both eyes, with only light perception, together with the loss (or loss of use) of one lower extremity. P.L. 116-154 replaced the SAH standard for blindness with the criteria previously used for eligibility for the SHA grant and removed the requirement that a veteran have lost (or lost use of) one lower extremity.

[28] 38 C.F.R. §3.809. This regulation defines severe burn injuries as "full thickness or subdermal burns" reducing mobility in two or more extremities or at least one extremity and the trunk of the body.

[29] Although this provision was added by Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 (P.L. 112-154), it was made permanent as part of P.L. 115-251.

after September 11, 2001, and the VA Secretary may not approve more than 120 applications in this category per year.[30]

In addition, by regulation, the disability requirement for SAH grants is satisfied for veterans with service-connected amyotrophic lateral sclerosis (ALS), commonly called Lou Gehrig's disease.[31]

Benefits

The benefit levels for SAH grants are established in statute.[32] The statute provides that the levels are to be adjusted each year based on a residential home cost-of-construction index. In addition, beginning October 1, 2030, approximately 10 years from enactment of P.L. 116-154, veterans may apply for additional SAH grants beyond the level established in statute. Maximum additional SAH grants may not exceed half of the statutory benefit level and the application must be made at least 10 years after a previous SAH grant.[33]

Beginning October 1, 2020 (FY2021), the statutory benefit level for SAH grants is $98,492. The maximum benefit level for a veteran temporarily residing in a family member's home is $39,669 for FY2020;[34] the VA has not yet released FY2021 benefit levels for the TRA grant. P.L. 116-154 did not change the TRA grant to make additional grants in excess of the statutory benefit level available.

The statute further provides that the SAH grant not exceed a total percentage of the project cost, generally 50% of the cost to acquire property or construct housing.[35]

Special Housing Adaptation Grants

SHA grants are available to veterans who may need to modify their homes, but perhaps not to the degree required for veterans eligible for SAH grants. The SHA grant can be used for a veteran's own home or for a veteran's family member's home if the veteran is living there temporarily or permanently.

Eligibility

SHA grants are available to veterans with the following service-connected disabilities[36]

- a permanent and total disability that
    - includes the loss or loss of use of both hands;
    - is due to a severe burn injury;[37] or
    - is due to residuals of an inhalation injury.

[30] 38 U.S.C. §2101(a)(4).

[31] 38 C.F.R. § 3.809(d).

[32] 38 U.S.C. §2102(d). Eligible active duty servicemembers may apply for these grants as well.

[33] P.L. 116-154 allows veterans to qualify for additional grant amounts. Prior to the law's enactment, statutory benefit levels were a lifetime limit on both SAH and SHA grants.

[34] See VA, VBA, "Specially Adapted Housing Program," November 2019, at https://benefits.va.gov/BENEFITS/factsheets/homeloans/SAHFactsheet.pdf.

[35] 38 U.S.C. §2102(a).

[36] 38 U.S.C. §2101(b). Eligible active duty servicemembers may apply for these grants as well.

[37] VA regulations at 38 C.F.R. §3.809a define severe burn injuries to mean either "deep partial thickness burns" reducing mobility in two or more extremities or at least one extremity and the trunk of the body, or "full thickness or subdermal burns" resulting in limitation in motion of one or more extremities or the trunk of the body.

Benefits

Similar to SAH grants, SHA benefit levels are established in statute and updated each year based on a residential home cost-of-construction index. Beginning October 1, 2020 (FY2021), the benefit levels for a veteran's own home or a family member's home in which the veteran is indefinitely residing is $19,733. The SHA grant also allows for multiple uses in the same way as the SAH grant. Beginning October 1, 2030, a veteran may apply for a subsequent grant in excess of the statutory benefit level. Veterans are eligible to apply at least 10 years after a previous grant, and the grant may be up to half the amount of the statutory benefit level.

The benefit level for a veteran temporarily residing in a family member's home is $7,083 for FY2020; the VA has not yet released FY2021 benefit levels for the TRA grant. Subsequent TRA grants in excess of the benefit level are not available.

Home Improvements and Structural Alterations Grants

Home Improvements and Structural Alterations (HISA) grants are part of the home health services provided to veterans with both service- and nonservice-connected disabilities. Funds can be provided for home improvements and alterations necessary for the "continuation of treatment for the veteran's disability" (i.e., for home health treatment) or for access to the home itself or essential lavatory and sanitary facilities (i.e., bathrooms, kitchens, and laundry facilities).[38] Funds can be used for more than one alteration, up to a lifetime benefit cap of $6,800, which is not subject to indexing. A VA physician must prescribe and explain the need for any structural improvement or alteration.[39] A veteran may receive both a HISA grant and either an SHA or SAH grant.[40]

Eligibility

The HISA grant is available to veterans who qualify to receive VA medical services pursuant to 38 U.S.C. §1710(a).[41] The amount of benefits available is greater for veterans with a service-connected disability that is rated at least 50% disabling.[42]

[38] 38 U.S.C. §1717(a)(2). Regulations are at 38 C.F.R. §§17.3100 et seq.

[39] 38 C.F.R. §§17.3120.

[40] See VA, "Specially Adapted Housing Program," fact sheet, November 2019, at http://benefits.va.gov/BENEFITS/factsheets/homeloans/SAHFactsheet.pdf.

[41] 38 U.S.C. §1717(a). For more information, see CRS In Focus IF10555, *Introduction to Veterans Health Care*.

[42] 38 C.F.R. §17.3105(b).

Benefits

For veterans with a service-connected disability, the statutory maximum lifetime benefit is $6,800.[43]

Other Grants and Benefits[44]

Automobile and Special Adaptive Equipment Grants

Veterans with certain service-connected disabilities are eligible for one-time grants toward the purchase of an automobile or for financial assistance to purchase adaptive equipment for an existing automobile to make it safe or legal for the veteran's use.[45]

Eligibility

To be eligible for the automobile grant, a veteran must have one of the following service-connected conditions

- loss or permanent loss of use of one or both feet;
- loss or permanent loss or use of one or both hands;
- permanent impairment of vision in both eyes;[46]
- severe burns; or
- ALS (or Lou Gehrig's disease).

To be eligible for adaptive equipment, a veteran must have one of the service-connected conditions listed above or ankylosis (i.e., immobility of the joint) of one or more of the knees or hips.

Benefits

A veteran is eligible for only one automobile grant in his or her lifetime. The current maximum grant is adjusted annually on October 1 based on changes in the Consumer Price Index for all Urban Consumers (CPI-U). Effective October 1, 2019, the maximum rate is $21,488.29. Payment is made to the seller of the automobile.

A veteran may be eligible for adaptive equipment for up to two automobiles during a four-year period. Payments for adaptive equipment may be made to either the seller or the veteran up to maximum amounts set periodically by VHA.

[43] 38 U.S.C. §1717(a). 38 C.F.R. §17.3105(b). For those veterans with a nonservice-connected disability, the maximum benefit is $2,000.

[44] This section was prepared by Heather M. Salazar, Analyst in Veterans Policy.

[45] 38 U.S.C. §§3902-3903; 38 C.F.R. §§3.808 and 17.155-17.158. These benefits are also available to current servicemembers who otherwise meet the service-connected disability requirements.

[46] The automobile may be purchased by another person for the purpose of providing transportation to a veteran who is unable to drive.

Clothing Allowance Grant

Eligibility

A veteran with a service-connected disability is eligible for an annual clothing allowance if because of the disability he or she

- wears or uses a prosthetic or orthopedic appliance, including a wheelchair, which VA determines is likely to damage the veteran's clothing; or
- uses a prescription skin medication that VA determines causes irreparable damage to the veteran's outergarments.[47]

Benefits

A veteran is eligible for one annual clothing allowance if he or she uses one type of device or medication. A veteran may be eligible for more than one annual clothing allowance if he or she uses multiple devices or medications and multiple outergarments are subject to damage, or one type of outergarment is subject to an increased rate of damage due to the use of multiple devices or medications.

Effective December 1, 2019, the annual clothing allowance is $830.56. This benefit is payable on August 1, 2020. The clothing allowance is not automatically adjusted for annual increases in the cost-of-living. However, the same legislation enacted to increase disability compensation rates usually includes an increase to the clothing allowance using the Social Security COLA.[48]

Service-Disabled Veterans Life Insurance[49]

Eligibility

A veteran with a service-connected disability, even if rated at 0%, who is in otherwise good health may apply for Service-Disabled Veterans Insurance (S-DVI) life insurance within two years of receiving a disability rating from VA.[50] Good health is defined by regulation as being free from any medical condition that would likely weaken the person's normal physical or mental functions or shorten his or her life.

Benefits

S-DVI provides a variety of term and permanent life insurance plans to eligible veterans. S-DVI policies can be purchased for coverage amounts ranging from $1,000 to $10,000 (in multiples of $500).

[47] 38 U.S.C. §1162.

[48] The clothing allowance that will be payable on August 1, 2020, was increased through the Veterans' Compensation Cost-of-Living Adjustment Act of 2019 (P.L. 116-58) using the Social Security cost-of-living adjustment (COLA). For more information on the Social Security COLA, see CRS Report 94-803, *Social Security: Cost-of-Living Adjustments*.

[49] For more information on S-DVI, see CRS Report R41435, *Veterans' Benefits: Current Life Insurance Programs*.

[50] 38 U.S.C. §§1922-1922A; 38 C.F.R. §§8.0-8.33.

Insurance premiums vary by age and type of plan.[51] Totally disabled veterans may be eligible to have their premiums waived.[52] To qualify for the waiver, a veteran must be unable to maintain gainful employment for six consecutive months prior to age 65 or have certain severe conditions.[53]

A veteran under the age of 65 and eligible for an S-DVI premium waiver may also purchase $30,000 in supplemental coverage if he or she applies within one-year of receiving the premium waiver.

S-DVI may be paid in the case of a veteran who did not apply for insurance during the two-year eligibility period due to mental incompetence and who dies before a guardian is appointed or within two-years of such appointment (referred to as Gratuitous S-DVI). An eligible beneficiary must generally apply for Gratuitous S-DVI within two years of the veteran's death. Gratuitous S-DVI is paid as a $10,000 lump sum payment.

A person who is granted Service-Disabled Veterans' Insurance under 38 U.S.C. §1922(b) is not eligible for supplemental Service-Disabled Veterans' Insurance under 38 U.S.C. §1922A.

Author Information

Heather M. Salazar, Coordinator
Analyst in Veterans Policy

Libby Perl
Specialist in Housing Policy

Benjamin Collins
Analyst in Labor Policy

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[51] For current premiums, see Department of Veterans Affairs, *Service-Disabled Veterans Insurance: RH Information and Premium Rates*, VA Pamphlet 29-9, May 2012, at http://www.benefits.va.gov/INSURANCE/forms/29-9.htm.

[52] Premiums are the amount a veteran will pay each month for the insurance coverage.

[53] VA, VBA, "Service-Disabled Veterans Insurance," August 2018, at https://www.benefits.va.gov/BENEFITS/factsheets/insurance/SDVI.pdf.