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Veterans Benefits Administration (VBA): Pension Programs

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SUMMARY

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Veterans Benefits Administration (VBA): Pension Programs

Within the Department of Veterans Affairs (VA), the Veterans Benefits Administration (VBA) administers three veteran pension programs. These programs provide monthly benefits to wartime service veterans discharged under *other than dishonorable* conditions or to their survivors who meet specific age or disability requirements and have limited incomes. Two of VA's main VBA pension programs are needs-based, unlike VA's disability compensation program.

- The Veterans Pension (also known as the Improved Disability Pension) makes payments to certain disabled, low-income veterans. In FY2019, the program paid an average annual benefit of $12,538 to 239,114 beneficiaries.
- The Survivors Pension (also known as the Improved Death Pension) makes payments to certain low-income spouses or children of deceased veterans. In FY2019, the program paid an average annual benefit of $8,976 to about 170,037 beneficiaries.

A third pension program is available to veterans who received the Medal of Honor. Unlike the other two pension programs, it is not a needs-based or income-based program; the only requirement is having received the Medal of Honor.

- The Medal of Honor Pension makes payments to veterans who were awarded the Medal of Honor. There are fewer than 70 Medal of Honor recipients living who qualify for this pension. This pension program pays a monthly benefit of $1,388.68—equivalent to $16,664.16 annually—effective December 12, 2019.

This report discusses the eligibility criteria and current benefit levels of these programs. In addition, the report provides data on the number of pension beneficiaries and the average annual benefit amounts for FY1999 through FY2019.

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Overview

Within the Department of Veterans Affairs (VA), the Veterans Benefits Administration (VBA) administers pension programs for certain low-income veterans, their surviving spouses, and dependent children.[1]

This report focuses on VA's two main VBA pension programs: (1) the Veterans Pension (also known as the Improved Disability Pension), which makes payments to certain disabled, low-income veterans, and (2) the Survivors Pension (also known as the Improved Death Pension), which makes payments to certain low-income surviving spouses and dependent children of deceased veterans. To qualify for either program, a veteran must have become eligible for payments on or after January 1, 1979, served during wartime, discharged under *other than dishonorable* conditions, and meet net worth limits. The Veterans and Survivors Pension Improvement Act of 1978 (P.L. 95-588) created both pension programs.

Difference Between VA and DOD Pensions

Veterans Affairs pensions are needs-based monthly benefits paid to certain wartime veterans or their survivors, either of whom must demonstrate financial need and meet certain net worth requirements. The active duty service requirement must include at least one day during a period of war.[2]

Department of Defense pension is a retirement program for eligible active duty and reservist personnel that is generally based on a minimum of 20 years of active service.

The third VBA-administered pension program discussed in this report is for Medal of Honor recipients. To receive this benefit, a veteran must have been awarded the Medal of Honor from a U.S. President. It is not an income or needs-based program.

VBA administers other pension programs for veterans or survivors who qualified for pension benefits prior to 1979. These programs include the Old Law Disability Pension, the Section 306 Disability Pension, the Old Law Death Pension, and the Section 306 Death Pension. This report is focused on current pension eligibility and benefits, and the aforementioned programs are not discussed.[3]

Veterans (Improved Disability) Pension

Eligibility Criteria

To be eligible for the Veterans Pension benefit, a veteran must meet eligibility criteria related to the individual's period of service and military discharge status, income and net worth, and disability or age. A veteran must complete and submit VA Form 21P-527EZ along with the specified materials to apply for this pension benefit.

[1] The military retirement program is also referred to as a pension. For additional information on military retirement programs, see CRS Report RL34751, *Military Retirement: Background and Recent Developments*, by Kristy N. Kamarck.

[2] Department of Veterans Affairs (VA), Veterans Benefits Administration (VBA), *Pension Program and Representation*, at https://www.benefits.va.gov/BENEFITS/factsheets/limitedincome/pensionprogram-and-representation.pdf.

[3] In the FY2019 VBA Annual Benefits Report, these programs are jointly categorized as "Other Pension" because they are no longer open to new applicants. During FY2019, a total of 760 veterans were collecting one of these two pensions with an average annual payment of $1,730, which totaled approximately $1,210,988 paid in benefits during FY2019. See VA, VBA, *Annual Benefits Report: Fiscal Year 2019*, at https://www.benefits.va.gov/REPORTS/abr/.

Period of Service Requirement

A veteran must meet military service requirements, including having served during a period of war, to be eligible for the Veterans Pension benefit.[4] Specifically, a veteran must have been discharged from military service under conditions *other than dishonorable* and must meet one of the following conditions:

- started on active duty before September 8, 1980, and served at least 90 days on active duty with a minimum of 1 day during wartime;
- started on active duty after September 7, 1980, and served at least 24 months or served the full period called or ordered to active duty with at least 1 day during wartime; or
- was an officer and started on active duty after October 16, 1981, and had not previously served on active duty for at least 24 months.[5]

Disability Requirement

For a veteran to meet the disability requirement for the Veterans Pension benefit, the individual must be permanently and totally disabled due to a *nonservice-connected* injury, illness, or combination thereof that is not a result of the veteran's willful misconduct.[6] If a veteran is either partially or completely disabled by a *service-connected* injury, illness, or combination, the individual would generally be eligible for disability compensation, a separate VA program with its own eligibility and benefit structure.[7]

A veteran would meet the disability criteria if the veteran

- is a patient in a nursing home for long-term care due to a disability;
- is unemployable due to a disability reasonably certain to continue throughout life;
- is suffering from a disability that will continue throughout life and that makes it impossible for the veteran to maintain a gainful occupation; or
- is suffering from a disease or disorder that has been determined to be of such nature that the person is permanently and totally disabled.[8]

To determine if a veteran is totally disabled, VBA may combine the disability ratings for service-connected disabilities with the disability ratings for nonservice-connected disabilities. However, if the veteran's service-connected disabilities have contributed to making the veteran eligible for the pension benefit, the veteran will receive the greater of the pension benefit or the VA disability

[4] 38 U.S.C. §1521(j). For information on periods of war, see CRS Report RS21405, *U.S. Periods of War and Dates of Recent Conflicts*, by Barbara Salazar Torreon.

[5] VA, "Eligibility for Veterans Pension," at https://www.va.gov/pension/eligibility/. If a veteran were unable to complete his or her active duty service requirement, there are exemptions that may permit the veteran to be eligible for the Veterans Pension. These exemptions are stated in 38 U.S.C. §5303A.

[6] 38 U.S.C. §1521(a). 38 C.F.R. §3.1(n) defines willful misconduct as "an act involving conscious wrongdoing or known prohibited action. A service department finding that injury, disease or death was not due to misconduct will be binding on the Department of Veterans Affairs unless it is patently inconsistent with the facts and the requirements of laws administered by the Department of Veterans Affairs."

[7] For more information on disability compensation and programs for service-disabled veterans, see CRS Report R44837, *Benefits for Service-Disabled Veterans*, coordinated by Heather M. Salazar.

[8] 38 U.S.C. §1502(a).

compensation benefit. A veteran cannot receive both disability compensation and a VBA pension benefit.

Age Requirement

A veteran may be eligible for the pension if the veteran is aged 65 or older and meets the other pension requirements, regardless of disability status (or disability rating). A veteran under 65 years of age may still be eligible for a pension if permanently and totally disabled from a nonservice-connected disability that was not a result of the veteran's own willful misconduct.[9]

Net Worth Requirement

No benefit is paid to a veteran who has *significant wealth*, defined as a net worth large enough that it would be reasonable for part of that wealth to be used for the veteran's maintenance.[10] Prior to October 2018, there was no set net worth limit or a clear understanding of what counted toward significant wealth. Following a series of events—including recommendations issued in a Government Accountability Office (GAO) June 2012 report, a Senate Special Committee on Aging hearing on the GAO report, and a 2015 VA rule addressing those referred to as "pension poachers"—VA proposed changes to the pension eligibility criteria.[11] These proposed changes would amend Title 38 of the *Code of Federal Regulations* as it pertains to net worth, asset transfers, and income exclusions for needs-based benefits at VA.

Following a period of public comment, VA promulgated final rules on October 18, 2018. These new rules established an annual net worth limit, a 36-month look-back period, a five-year penalty period, and updated medical expense definitions.

Economic Impact Payments (EIPs) and Pension Income Limit

Section 20010 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136), excludes EIPs from a veteran's annual income, thereby preventing them from counting toward the income limit associated with pension eligibility. The section explicitly states that the rebate "shall not be treated as income or resources for purposes of determining eligibility for pension under chapter 15 of title 38." Consequently, the EIPs included in the CARES Act do not cause a decrease in the amount of pension a veteran or survivor is to receive.

- **Net Worth Limit.** The current total net worth limit to qualify is $129,094, and it is increased by the same percentage as the Social Security cost-of-living adjustment (COLA) each year.[12] The calculation includes countable assets and

[9] 38 C.F.R. §§3(vi)(A)-(B).

[10] 38 U.S.C. §1522.

[11] The Government Accountability Office (GAO) report recommended that VA modify the pension application forms; verify income using a variety of documents; strengthen ability to identify asset transfers; and revise procedures to make it clearer for claims processors to identify assets. Following this report, the Senate Special Committee on Aging held a hearing in June 2012 to address the issues and recommendations of the GAO report. The committee wanted to know how VA was planning to deal with individuals referred to as "pension poachers." See GAO, Veterans' Pension Benefits: Improvements Needed to Ensure Only Qualified Veterans and Survivors Receive Benefits, GAO-12-540, June 6, 2012; and VA, "Net Worth, Asset Transfers, and Income Exclusions for Needs-Based Benefits," 15 Federal Register 3840, January 23, 2015. "Pension poachers" are described by VA as organizations or individuals who reach out to veterans or their family members claiming they can assist the veteran in receiving a VA pension (even if they do not qualify) for a fee. VA published a brochure for veterans to alert them to these organizations and individuals, available at https://www.benefits.va.gov/PENSION/PensionPoachingPostcard.pdf.

[12] For more information on the Social Security cost-of-living adjustment (COLA), see CRS Report 94-803, *Social Security: Cost-of-Living Adjustments*, by Julie M. Whittaker and Tamar B. Breslauer.

yearly income, with certain assets and income excluded, as described in 38 C.F.R. §§3.274 and 3.275. For example, a claimant's primary residence and up to two acres of a residential lot are excluded from the calculation.

- **36-Month Look-Back Period.** During the 36 months before filing a claim for benefits, any assets transferred (sold, given away, put in trust, etc.) by the claimant at less than fair market value would be counted as assets for the purposes of determining net worth and could, depending upon the amount transferred, delay eligibility for benefits for up to five years.[13] Other major means test programs, such as Medicaid and Supplemental Security Income, have similar look-back rules. These rules are to avoid individuals transferring or selling land to reduce their new worth solely for the purpose of receiving VA pension benefits.
- **Five-Year Penalty Period.** This is a period of nonentitlement as a result of a VA determination that the claimant transferred assets during the look-back period for less than fair market value for the specific purpose of meeting pension eligibility requirements. The penalty period cannot exceed five years and would begin on the first day of the month after the last transfer. VA calculates the length of penalty period by dividing the total covered asset amount by the monthly penalty rate and rounding the quotient down to the nearest whole number. The result is the number of months for which VA will not pay pension. The monthly penalty rate is calculated by dividing the maximum annual pension rate (MAPR) for a veteran in need of "aid and attendance" with one dependent by 12 and rounding down to the nearest dollar.[14] As of April 2020, the monthly penalty rate is $2,266.
- **Medical Expense Definitions.** Before the implementation of the 2018 rule, no regulation clearly defined *medical expenses* for the purpose of deductions from income for VA purposes. According to rules now in effect, if an unreimbursed medical expense (1) is paid by a claimant or dependent for VA or medical purposes; (2) is an expense for a claimant or a relative who is a member of the household; and (3) exceeds 5% of the applicable MAPR, then the total amount is deducted from the veteran's countable income for the purpose of pension eligibility.[15] Thus, the higher the eligible unreimbursed medical expenses, the lower the net income and the greater chance of a veteran being eligible for the pension.

Maximum Annual Pension Rate

The MAPR for the Veterans Pension benefit is set in statute.[16] The annual amount is adjusted automatically by law each year to reflect a COLA equal to the COLA for Social Security benefits.[17] If the veteran has a spouse or dependent child (or children), the veteran's benefit will be adjusted accordingly.

As noted previously, the pension benefit for a veteran who meets the other eligibility requirements (period of service and age or disability) is calculated by subtracting the veteran's

[13] Per 38 C.F.R. §3.276(a)(7), the look-back period will not include any date prior to October 18, 2018.

[14] 38 C.F.R. §3.276(e) provides an example on determining the penalty period.

[15] 38 C.F.R. §3.272(g). A complete list of deductible medical expenses is found in 38 C.F.R. §3.278.

[16] 38 U.S.C. §§1521(b)-1521(g).

[17] 38 U.S.C. §5312.

annual countable income from the annual maximum benefit (i.e., the benefit amount is reduced dollar-for-dollar by countable income). A veteran with annual countable income above the annual maximum benefit amount would receive no pension benefit.

As of December 1, 2019, the annual pension rate, and therefore the maximum countable income for a veteran with no dependents, is $13,752. For a veteran with one dependent, the maximum annual rate is $18,008. If the beneficiary has more than one dependent, the benefit amount would not increase. If two veterans are married to each other, the total maximum annual amount for the couple would be $18,008, the same as for a veteran with one dependent.[18]

The benefit amount could be increased if the veteran either requires additional care, known as *aid and attendance*,[19] or is housebound. However, the veteran's benefit can be increased for only one of those reasons; the beneficiary cannot receive aid and attendance as well as housebound benefits.

Aid and Attendance[20]

Claimants may be eligible for a higher benefit if they need additional care and services (aid and attendance), such as assisted living or in-home care. For payments made in 2020, the maximum annual benefit for a claimant without dependents who is in need of aid and attendance is $22,939. For claimants with one dependent, the maximum benefit in 2020 is $27,195. If two veterans are married and both are in need of aid and attendance, the total maximum benefit for them would be $36,387.[21]

The necessity for aid and attendance is presumed when one or more of the following conditions are met:

- the claimant needs another person to help with performing personal functions required for daily living, such as bathing, feeding, and dressing;
- the claimant needs to stay in bed, or spend a significant portion of the day in bed, due to an illness;
- the claimant is a patient in a nursing home due to a loss of mental or physical capabilities related to a disability; or
- the claimant's eyesight is limited (i.e., even with glasses or contact lenses, the claimant has 5/200 or less in both eyes or concentric contraction of the visual field to five degrees or less).[22]

Not all four factors must be present for the beneficiary to receive a higher pension amount due to the need for aid and attendance. The claimant is not required to demonstrate the need for round-the-clock care but must demonstrate a regular and ongoing need for the aid and attendance of another person.

[18] VA, VBA, "Veterans Pension Rate Table – Effective 12/1/19," at http://www.benefits.va.gov/PENSION/current_rates_veteran_pen.asp (hereinafter VA, "Veterans Pension Rate Table").

[19] Aid and attendance is provided when a veteran needs another person's help to perform activities of daily living, such as eating, dressing, or taking a shower.

[20] Definitions of aid and attendance and housebound can be found in 38 C.F.R. §3.351. For a general overview, see VA, "VA Aid and Attendance benefits and Housebound allowance," at http://benefits.va.gov/pension/aid_attendance_housebound.asp (hereinafter VA, "Aid and Attendance and Housebound").

[21] VA, "Veterans Pension Rate Table."

[22] VA, "Aid and Attendance and Housebound."

If care is provided and paid for by VA or Medicaid to a veteran without dependents, the total monthly pension benefit may be reduced to $90 per month.[23]

Housebound

Similar to aid and attendance, claimants who are housebound may be eligible for an increased benefit. For payments made in 2020, the maximum annual benefit for a housebound claimant without dependents is $16,805. For claimants with one dependent, the maximum benefit in 2020 is $21,063. If two veterans are married and both qualify for housebound benefits, generally considered confined to their dwelling or to the ward or clinical area of an institution, the maximum combined benefit paid to the veteran for both individuals would be $24,114.[24]

To receive an increased benefit rate, a pension claimant must either have

- a single permanent disability evaluated as 100% disabling and due to such disability, be permanently and substantially confined to the claimant's immediate premises; or
- a single permanent disability evaluated as 100% disabling and have another disability or combination of disabilities evaluated as 60% or more disabling.

A person is considered housebound when confined to a dwelling and immediate premises due to a disability, and it is reasonably certain that this confinement will continue throughout the individual's lifetime. A dwelling includes the claimant's home or any other place the claimant is living, such as a care facility or a family member's home. Additionally, if the claimant is unable to leave the dwelling without the assistance of another, such as when a disability prevents the claimant from being able to drive, the claimant is considered housebound.

Incarcerated Veterans Pension Provision

The pension benefit for a veteran convicted of a felony or misdemeanor is terminated on the 61st day of federal, state, or local imprisonment. Payment may resume upon the completion of imprisonment if the veteran continues to meet the eligibility requirements. If VA is not promptly informed of the veteran's incarceration, benefits could be suspended until the overpayment is satisfied.

Pension benefits can be apportioned to family members if a veteran remains eligible to receive a pension but for the fact that the veteran is incarcerated, and the veteran's dependent(s) meet the income requirements for Survivors Pension (without consideration of the veteran's income). VA would pay the lesser amount of either the pension benefit the veteran was entitled to before its discontinuation or the survivor pension benefit the dependent is entitled to based on current income. This structure is similar to those who are incarcerated and receiving Social Security benefits; however, the Social Security beneficiary's benefits would cease after 30 continuous days of incarceration.[25] If a veteran or dependent is a fugitive, felon pension benefits would be prohibited along with any apportionment of those benefits to a spouse or dependent family member.[26]

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[23] 38 U.S.C. §5503. Veterans who reside in state veterans nursing homes where VA pays a per diem for their care may not have their pension reduced.

[24] VA, "Veterans Pension Rate Table."

[25] Social Security Administration, *What Prisoners Need to Know*, Publication no. 05-10133, at https://www.ssa.gov/pubs/EN-05-10133.pdf.

[26] 38 C.F.R. §3.666.

Survivors (Improved Death) Pension

Most survivors of deceased veterans are eligible for the Survivors Pension benefit if the deceased veteran had met the requirements described in the "Veterans (Improved Disability) Pension" section, and the survivor meets the net worth requirement.

Survivors may qualify for the Survivors Pension if the deceased veteran had not met the period of service requirement , but the veteran's service separation was due to a service connected disability or fell under one of the exemptions listed in 38 U.S.C. §5303A (see "Period of Service Requirement"). If, at the time of death, the veteran had met one of these exemptions and had been receiving or was entitled to receive compensation or retirement pay for a service-connected disability, the veteran's survivor(s) may be eligible to receive the Survivors Pension.

Regardless of the exemption, the veteran must have still been considered totally and permanently disabled by a nonservice-connected disability for the survivor to be eligible for this benefit. [27]

Eligibility Criteria

The low-income surviving spouse or dependent child of a deceased veteran is eligible for the Survivors Pension benefit if the deceased veteran and surviving spouse or dependent child meet the eligibility requirements described in the following sections.

Surviving Spouse Requirement

The surviving spouse must not have remarried following the veteran's death and must have been married to the deceased veteran for at least one year prior to the veteran's death. However, if the veteran and surviving spouse were married less than a year but had a child together either before or after the marriage, the surviving spouse may be eligible for benefits, including benefits for a dependent child (see "Surviving Child Requirement").[28]

If the surviving spouse married the veteran after the veteran's discharge but before the following dates, the surviving spouse may still be eligible for benefits:

- For veterans of the Mexican border period and World War I, the marriage must have occurred prior to December 14, 1944.[29]
- For veterans of World War II, the marriage must have occurred prior to January 1, 1957.
- For veterans of the Korean conflict, the marriage must have occurred prior to February 1, 1965.

[27] 38 U.S.C. §§1521(j)(2), 1541(a), 1542(a), and 5303A. Such exemptions include, but are not limited to, discharge from service due to a physical or mental condition not considered a disability but that prevents the servicemember from performing his or her duties; discharge from service due to a preexisting condition that VA does not determine to be service connected; and an involuntary discharge or release from service due to a reduction in force.

[28] If the surviving spouse were previously married, but the marriage was terminated prior to November 1, 1990, the surviving spouse may also be eligible for the Survivor's Pension. See VA, "Survivors Pension Factsheet," at https://www.benefits.va.gov/BENEFITS/factsheets/survivors/Survivorspension.pdf.

[29] 38 U.S.C. §§101(7) and (30). The Mexican border period is defined as "the period beginning on May 9, 1916, and ending on April 5, 1917, in the case of a veteran who during such period served in Mexico, on the borders thereof, or in the waters adjacent thereto." World War I is defined as "the period beginning on April 6, 1917, and ending on November 11, 1918, and (B) in the case of a veteran who served with the United States military forces in Russia, means the period beginning on April 6, 1917, and ending on April 1, 1920."

- For veterans of the Vietnam era, the marriage must have occurred prior to May 8, 1985.[30]
- For veterans of the Gulf War period, which includes those who served post-September 11, 2001, the marriage must have occurred prior to January 1, 2001.[31]

Surviving Child Requirement

Generally, a surviving child who is in the custody of a surviving spouse does not have entitlement to the Survivors Pension. Rather, the surviving spouse is eligible for a higher MAPR based on the number of dependent children. In addition, the pension may be paid to the guardian of the veteran's dependent child if the child is not under the legal custody of the surviving spouse.

A surviving child of a deceased wartime veteran must be unmarried and meet one of the following requirements:

- be under the age of 18;
- be under the age of 23 and attending a VA "approved educational institution";[32] or
- be unable to care for oneself due to a disability incurred before the age of 18.[33]

Net Worth Requirement

The net worth for a surviving spouse or child is calculated like that of a veteran for the Veterans Pension. See "Net Worth Requirement" for the description of what is included in the net worth limit of $129,094, effective December 1, 2019.

For a surviving spouse with custody of a deceased veteran's child, the child's income may also be included when it is considered "reasonably available" to the surviving spouse's expenses for "reasonable family maintenance."[34] However, a veteran's surviving child's current work income would be excluded from countable income if the income is not more than the income level at

[30] 38 U.S.C. §1541(f).

[31] 38 U.S.C §1501(4). 38 U.S.C. §101(33) defines the Persian Gulf War period as "the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law." There has not been an official presidential proclamation to end the Persian Gulf War; therefore, servicemembers who have served since August 2, 1990, to include those currently serving but who later separate and become veterans, are still considered veterans of the Persian Gulf War period.

[32] Per 38 U.S.C. §104(a), a VA "approved educational institution" includes a school, college, academy, seminary, technical institute, university, or other educational institution that a veteran's child between ages 18 and 23 attends with approval granted by the Secretary of VA.

[33] VA, VBA, *Improved Pension Eligibility Verification Report (Veteran with Children*, OMB Control no. 2900-0101, at https://www.vba.va.gov/pubs/forms/VBA-21P-0517-1-ARE.pdf.

[34] 38 C.F.R. §3.23(d)(5)-(6). Reasonable family maintenance expenses include costs for basic necessities (such as food, clothing, shelter, etc.) and others, determined on a case-by-case basis, that are necessary to support a reasonable quality of life.

which a federal income tax return must be filed,[35] *plus* postsecondary education or vocational rehabilitation or training expenses paid by the child.[36]

If the surviving spouse or child were receiving any proceeds from a life insurance policy on the veteran, those payments would be excluded from countable income.[37]

Maximum Annual Pension Rate

The MAPR for the Survivors Pension benefit is set in statute.[38] The annual amount is adjusted automatically by law each year to reflect a COLA equal to the COLA for Social Security benefits.[39]

Effective December 1, 2019, the MAPR for a surviving spouse without a dependent is $9,224. For surviving spouses with one dependent child, the MAPR is $12,072. For each additional dependent child, the MAPR increases by $2,351. The MAPR for a qualifying surviving child is $2,351, the same as an additional dependent child.[40]

Aid and Attendance

Surviving spouses may be eligible for a higher benefit if they need additional care and services (aid and attendance), such as assisted living or in-home care. The requirements and qualifications for aid and attendance are the same for a surviving spouse as for a veteran. For payments made in 2020, the maximum annual benefit for a surviving spouse without dependents is $14,742. For a surviving spouse with one dependent, the maximum benefit in 2020 is $17,586.[41]

Housebound

Similar to aid and attendance, surviving spouses who are housebound may be eligible for an increased benefit. The requirements and qualifications for the housebound benefit are the same for a surviving spouse as for a veteran. For payments made in 2020, the maximum annual benefit for a housebound surviving spouse without dependents is $11,273. For surviving spouses with one dependent, the maximum benefit in 2020 is $14,116.[42]

Medal of Honor Pension

On April 27, 1916, Congress passed P.L. 65-56, which created the Army and Navy Medal of Honor Roll and entitled Medal of Honor recipients to a special pension of $10 per month for life.

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[35] The income level at which a tax return must be filed (the filing requirement) is equal to the standard deduction. For tax year 2019, the filing requirement is $12,200 for a single taxpayer under the age of 65. See Internal Revenue Service, "Publication 501 (2019), Dependents, Standard Deduction, and Filing Information," Table 1, at https://www.irs.gov/publications/p501#en_US_2019_publink1000270109.

[36] 38 U.S.C. §1503(a)(10).

[37] 38 U.S.C. §1503(a)(12).

[38] 38 U.S.C. §1541.

[39] 38 U.S.C. §5312. For more information on the Social Security COLA, see CRS Report 94-803, *Social Security: Cost-of-Living Adjustments*, by Julie M. Whittaker and Tamar B. Breslauer.

[40] VA, "VA Survivors Pension benefit rates," at https://www.va.gov/pension/survivors-pension-rates/ (hereinafter VA, "Survivors Pension benefit rates").

[41] VA, "Survivors Pension benefit rates."

[42] VA, "Survivors Pension benefit rates."

The monthly payment of $10 remained in effect until 1961; the enactment of P.L. 87-138 then increased the monthly pension from $10 to $100. Unlike other VA benefits that reflect COLAs, prior to 2002, an increase to the Medal of Honor Pension required Congress to pass authorizing legislation. Under the Veterans Benefits Act of 2002 (P.L. 107-330), Congress increased the monthly payment to $1,000 and directed the Secretary of VA to increase the pension amount on December 1 of each year to reflect the same percentage as the Social Security COLA.

With the yearly increase, the monthly Medal of Honor pension that took effect on December 1, 2019, and began to be paid in January 2020, is $1,388.68.[43] Eligibility for this pension is based solely on receipt of the Medal of Honor and is paid to any eligible individuals who elect to receive it. Receipt of this special pension does not reduce any other benefits under U.S. law, and the benefit does not increase if a veteran receives more than one Medal of Honor.[44] The program is smaller than the Veterans Pension and Survivors Pension programs, as there are fewer than 70 living Medal of Honor recipients.[45]

[43] See VA, *2020 VA Special Benefit Allowances Rates*, at https://www.va.gov/disability/compensation-rates/special-benefit-allowance-rates/.

[44] 38 U.S.C. §1562.

[45] Congressional Medal of Honor Society, "Archive Statistics," at http://www.cmohs.org/medal-statistics.php.

Appendix A. Pension Beneficiaries

Table A-1 shows the number of pension beneficiaries and the average annual benefit amount by beneficiary category for FY1999-FY2019. In FY2019, 239,114 veterans received Veterans Pension benefits, and 170,037 survivors received Survivors Pension benefits.

Table A-1. Number of VA Pension Beneficiaries and Average Annual Benefit Amount by Category, FY1999-FY2019

(in dollars)

Fiscal Year	Number of Veterans (Improved Disability) Pension Beneficiaries	Average Annual Benefit Amount	Number of Survivors (Improved Death) Pension Beneficiaries	Average Annual Benefit Amount
1999	378,712	$5,677	274,106	$2,509
2000	364,220	$5,917	257,106	$2,571
2001	348,052	$6,244	241,467	$2,682
2002	346,579	$6,564	230,267	$2,821
2003	346,555	$6,879	223,553	$2,950
2004	342,903	$7,135	215,253	$3,107
2005	335,787	$7,682	206,594	$3,351
2006	329,856	$8,173	200,636	$3,644
2007	322,875	$8,634	194,641	$3,962
2008	315,763	$9,006	195,612	$4,341
2009	314,245	$9,754	194,103	$4,999
2010	313,563	$10,080	198,832	$5,478
2011	313,665	$10,401	201,955	$5,905
2012	314,790	$11,038	207,453	$6,521
2013	308,116	$11,315	210,450	$6,988
2014	304,556	$11,682	211,714	$7,513
2015	295,078	$11,977	206,375	$7,910
2016	288,710	$11,991	202,975	$8,318
2017	276,570	$12,103	201,433	$8,443
2018	260,089	$12,350	192,823	$8,800
2019	239,114	$12,538	170,037	$8,976

Source: Congressional Research Service (CRS), based on data from Department of Veterans Affairs, *Annual Benefits Report*, various years, at https://www.benefits.va.gov/REPORTS/abr/.

Notes: Recipients of the Medal of Honor Pension are not included in these data, as the benefit is not income-based as is the Veterans Pension and Survivors Pension. The Medal of Honor Pension is paid in addition to either disability compensation or the Veterans Pension benefit. As of August 2020, there are fewer than 70 living Medal of Honor recipients; those recipients receive a monthly benefit of $1,388.68, which is equivalent to $16,664.16 annually.

Appendix B. Selected History of the Modern Veterans Pension, Survivors Pension, and Medal of Honor Pension

Table B-1 provides a selected history of legislation leading to the modern Veterans Pension, Survivors Pension, and Medal of Honor Pension. Many laws, even significant Department of Veterans Affairs (VA) laws such as the G.I. bill, are not included if the legislation did not impact the pensions.

Currently, VA uses the term *pension* to refer to payments "to wartime Veterans who meet certain age or disability requirements, and who have income and net worth within certain limits"[46] and the term *compensation* to refer to payments "to Veterans who got sick or injured while serving in the military and to Veterans whose service made an existing condition worse."[47] This distinction has not been consistent throughout history. According to VA's publication, *VA History in Brief*, after December 24, 1919, all claims and payments arising from disability or death from World War I service were regarded as compensation; after March 1933, all payments were regarded as pensions. The current distinction between compensation and pension started being used again after World War II.[48] The description column in **Table B-1** provides an explanation for each law to clarify the purpose of the legislation, given the inconsistent use of terminology.

For additional history on VA pensions, please consult the following resources:

- U.S. Congress, House Committee on Veterans Affairs, *Veterans' Non-Service-Connected Pensions: a Report on Veterans' Benefits in the United States by the President's Commission on Veterans' Pensions*, committee print, 84th Cong., 2nd sess., August 27, 1956, C-P 288 (Washington, DC: GPO, 1956);
- VA, *VA History in Brief*, 2006, at https://www.va.gov/opa/publications/archives/docs/history_in_brief.pdf; and
- James D. Ridgway, "Recovering an Institutional Memory: The Origins of the Modern Veterans' Benefits System from 1914 to 1958," *Veterans Law Review*, vol. 5 (2013), at https://www.bva.va.gov/docs/VLR_VOL5/Ridgway.pdf.

Table B-1. Selected Legislative History of VA Pensions and Medal of Honor Pensions

Year	Law	Description
1776	First National Pension Law[a]	Authorized service-connected pensions, providing half-pay for life or during disability for any officer, soldier, or sailor losing a limb or being so disabled as to be incapable of earning a livelihood.[b]
1818	An Act to provide for certain persons engaged in the land and naval service of the United States, in the Revolutionary War[c]	Authorized first nonservice-connected pensions to nondisabled veterans based on financial need.[d] Commissioned officers received $20 per month; others received $8 per month.

[46] See Department of Veterans Affairs (VA), "Eligibility for Veterans Pension," at https://www.va.gov/pension/eligibility/.

[47] See VA, "VA disability compensation," at https://www.va.gov/disability/.

[48] VA, *VA History in Brief*, 2006, at https://www.va.gov/opa/publications/archives/docs/history_in_brief.pdf.

Year	Law	Description
1858	An Act to extend an Act entitled "An Act to continue Half-pay to certain Widows and Orphans," approved February three, eighteen hundred and fifty-three[e]	Authorized half-pay survivors' pensions to veterans' widows and their orphaned children until age 16.[d]
1862	An Act to grant pensions[f]	Authorized disability payments based on rank and degree of disability; liberalized benefits for widows, children, and dependent relatives; and provided the first compensation for diseases such as tuberculosis.[d]
1873	An Act to revise, consolidate, and amend the Laws relating to Pensions[g]	Authorized the calculations of the pension amounts based on degree of disability rather than service rank; began the Aid and Attendance program;[d] initiated the creation of a board of surgeons to certify disability.[h]
1890	An Act granting pensions to soldiers and sailors who are incapacitated for the performance of manual labor, and providing for pensions to widows, minor children, and dependent parents[i]	Authorized pensions for veterans who were incapable of manual labor. Veterans' widows or orphaned children (under 16) were provided survivors pensions if they had to support themselves.[j]
1912	An Act Granting pensions to certain enlisted men, soldiers, and officers who served in the Civil War and the War with Mexico (P.L. 62-155)[k]	Authorized pensions to all veterans at age 62. The pension amount depended on the length of service and the age of the veteran.[d] Those with permanent disability, no matter the length of service or age, were provided $30 per month.
1916	An Act to establish in the War Department and in the Navy Department, respectively, a roll, designated as "the Army and Navy medal of honor roll," and for other purposes (P.L. 65-66)[l]	Authorized a $10 monthly pension payment to Medal of Honor recipients.
1924	World War Adjustment Compensation Act (P.L. 68-20)[m]	Authorized compensation in the form of adjusted service certificates payable 20 years from the date of issue to veterans of World War I based on length and location of service.[d]
1933[n]	Economy Act, Act of March 20, 1933 (P.L. 73-2)[o]	Repealed all previous laws granting benefits for veterans of the Spanish-American War and all subsequent conflicts and periods of peacetime service. Granted authority to the President to issue regulations determining veterans' benefits until 1935.[d]
1935	Independent Offices Appropriations Act, 1935 (P.L. 73-141)[p]	Authorized a restoration of benefits removed by the regulations issued after the Economy Act.[q]
1959	Veterans Pension Act of 1959 (P.L. 86-211)[r]	Authorized inclusion of spousal income (minus $1,200) when determining eligibility for, and amount of, pension to be paid. The payments were adjusted on a sliding scale based on need. Veterans could elect to remain on the previous pension scheme if they were already receiving a pension as of June 30, 1960.[d]
1961	To amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes (P.L 87-138)[s]	Authorized an increase in monthly Medal of Honor pensions from $10 to $100 per month.
1978	Veterans' Disability Compensation and Survivors' Benefits Act of 1978 (P.L. 95-479)[t]	Authorized an increase in monthly Medal of Honor pensions from $100 to $200.

Year	Law	Description
1978	Veterans' and Survivors' Pension Improvement Act of 1978 (P.L. 95-588)**Error! Reference source not found.**	Authorized inclusion of family and retirement income to determine eligibility for pensions and the amounts paid.[d]
1990	Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508)	Authorized a decrease in the pension amount to $90 a month if Medicaid was covering cost of a veteran's long-term care; gave permanent and total disability status for pension purposes to veterans if they were unemployable as a result of a disability that was certain to continue throughout life.
1993	To amend title 38, *United States Code*, to increase the rate of special pension payable to persons who have received the Congressional Medal of Honor (P.L. 103-161)	Authorized an increase in monthly Medal of Honor pensions from $200 to $400.
1998	Veterans Program Enhancement Act of 1998 (P.L. 105-368)	Authorized an increase in monthly Medal of Honor pensions from $400 to $600.
2001	Veterans Education and Benefits Expansion Act (P.L. 107-103)	Provisions are discussed in this report under "Disability Requirement" and "Age Requirement."
2002	Veterans Benefits Act of 2002 (P.L. 107-330)	Authorized an increase in the monthly Medal of Honor pension from $600 to $1,000. Directed the Secretary of VA to increase by the same percentage the Medal of Honor benefit as the Social Security cost-of-living adjustment is increased each year after 2002.

Source: Compiled by CRS from publicly available government and peer-reviewed publications.

a. Continental Congress 1776, 5:703, at http://memory.loc.gov/cgi-bin/ampage?collId=lljc&fileName=005/lljc005.db&recNum=287&itemLink=r?ammem/hlaw:@field(DOCID+@lit(jc00568))%230050288&linkText=1.

b. U.S. Congress, House Committee on Veterans Affairs, *The Veterans' Administration Disability Rating Schedule: Historical Development and Medical Appraisal. Staff Report No. 8*, committee print, 84th Cong., 2nd sess., July 18, 1956, C-P 275 (Washington, DC: GPO, 1956), p. 3, at https://congressional.proquest.com/congressional/docview/t21.d22.cmp-1956-vah-0023.

c. March 18, 1818, ch. 19, 3 Stat. 410, at https://www.loc.gov/law/help/statutes-at-large/15th-congress/session-1/c15s1ch19.pdf. Referred to in some secondary texts as the "Service Pension Law."

d. U.S. Department of Veterans Affairs (VA), *VA History in Brief,* 2006, at https://www.va.gov/opa/publications/archives/docs/history_in_brief.pdf.

e. Act of June 3, 1858, ch. 85, 11 Stat. 309, at http://www.loc.gov/law/help/statutes-at-large/35th-congress/session-1/c35s1ch85.pdf.

f. Act of July 14, 1862, ch. 166, 12 Stat. 566, at https://www.loc.gov/law/help/statutes-at-large/37th-congress/session-2/c37s2ch166.pdf. Referred to in some secondary texts as the "General Pension Act of 1862."

g. Act of March 3, 1873, ch. 234, 17 Stat. 566, at https://www.loc.gov/law/help/statutes-at-large/42nd-congress/session-3/c42s3ch234.pdf. Referred to by the popular name "Consolidation Act of 1873."

h. U.S. Congress, House, Veterans Legislation: Historical statement of the laws enacted and veterans regulations promulgated relating to veterans and their dependents, with a complete statement regarding expenditures or hospital and domiciliary construction, 79th Cong., 1st sess., January 1, 1945, H.Doc. 136 (Washington, DC: GPO, 1945), at https://congressional.proquest.com/congressional/docview/t47.d48.10961_h.doc.136.

i. Act of June 27, 1890, ch. 634, 26 Stat. 182, at https://www.loc.gov/law/help/statutes-at-large/51st-congress/session-1/c51s1ch634.pdf. Referred to by the popular name "Dependent Pension Act."

j. Several public laws later changed the qualifications for survivor pensions. For a discussion, see U.S. Congress, House Committee on Veterans Affairs, *Veterans Non-service-connected Pensions. Report on Veterans Benefits in the U.S. by the President's Commission on Veterans' Pensions. Staff Report No. 10*, committee print,

84th Cong., 2nd sess., August 27, 1956, C-P 288 (Washington, DC: GPO, 1956), at https://congressional.proquest.com/congressional/docview/t21.d22.cmp-1956-vah-0017.

k. P.L. 62-155, Act of May 11, 1912, ch. 123, 37 Stat. 112, at https://www.loc.gov/law/help/statutes-at-large/62nd-congress/session-2/c62s2ch123.pdf. Referred to by the popular name "Sherwood Act of 1912, (Mexican War and Civil War Veteran Pensions)."

l. P.L. 64-55, Act of April 27, 1916, ch. 88, 39 Stat. 53, at https://www.loc.gov/law/help/statutes-at-large/64th-congress/session-1/c64s1ch88.pdf.

m. P.L. 68-120, Act of May 19, 1924, ch. 157, 43 Stat. 121, at https://www.loc.gov/law/help/statutes-at-large/68th-congress/session-1/c68s1ch157.pdf.

n. Veterans Regulation No. 1(a) of June 1933 and Veterans Regulation No. 1(c) of January 19, 1934 provided disability pensions and were in effect prior to the implementation of the Economy Act of March 20, 1933. See U.S. Congress, House Committee on Veterans Affairs, *Veterans Non-service-connected Pensions. Report on Veterans Benefits in the U.S. by the President's Commission on Veterans' Pensions. Staff Report No. 10*, committee print, 84th Cong., 2nd sess., August 27, 1956, C-P 288 (Washington, DC: GPO, 1956), at https://congressional.proquest.com/congressional/docview/t21.d22.cmp-1956-vah-0017.

o. P.L. 73-2, Act of March 20, 1933, ch.3, 48 Stat. 8, at https://www.loc.gov/law/help/statutes-at-large/73rd-congress/session-1/c73s1ch3.pdf.

p. P.L. 73-480, Act of June 27, 1934, ch. 848, 48 Stat. 1265, at https://www.loc.gov/law/help/statutes-at-large/73rd-congress/session-2/c73s2ch848.pdf.

q. See James D. Ridgway "Recovering an Institutional Memory: The Origins of the Modern Veterans' Benefits System from 1914 to 1958," *Veterans Law Review*, vol. 5 (2013), at https://www.bva.va.gov/docs/VLR_VOL5/Ridgway.pdf.

r. P.L. 86-211, 73 Stat. 432, at https://www.govinfo.gov/content/pkg/STATUTE-73/pdf/STATUTE-73-Pg432-2.pdf.

s. P.L. 87-138, 75 Stat. 338, at https://uscode.house.gov/statutes/pl/87/138.pdf.

t. P.L. 95-479, 92 Stat. 1560, at https://uscode.house.gov/statutes/pl/95/479.pdf.

u. P.L. 95-588, 92 Stat. 2497, at https://www.govinfo.gov/content/pkg/STATUTE-92/pdf/STATUTE-92-Pg2497.pdf.

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