

Kathleen Martin is an attorney with O'Donnell, Weiss & Mattei, P.C., and a newspaper columnist for The Mercury, which gave permission for this article to be reprinted.

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## Understanding limitations for VA benefits

Veterans and their families often overlook some important benefits, particularly for seniors, or their surviving spouses, who are experiencing an increased need for assistance with normal activities of daily living. The Veterans Administration (VA) has offered their Improved Pension benefit for over 58 years, but it remains an under-utilized benefit, which one renowned VA benefits attorney, Victoria Collier, calls “secret veterans’ benefits.” It is not really a secret but many persons are just unaware of its existence.

Many veterans may be aware of the “compensation” system of the VA. If a veteran is suffering from a disability that is the result of an injury, disease or an event in military service, the veteran should consider applying for compensation. There is a “rating” system accompanying the compensation benefit. However, the pension benefit exists for those who are 65 years old or older, permanently and totally disabled, served on active duty with at least one day during a period of war, and whose income and net worth does not exceed certain limits (from VA form 21-526 information and instructions). A veteran’s surviving spouse is also entitled to a more limited benefit.

A good explanation of the VA Aid and Attendance Improved Pension can be found at <http://www.veteranaid.org>. The necessary forms are available at this site also. There it is explained that the “Aid and Attendance” benefit is the third tier of the Improved Pension. There is a “basic pension” that is extremely helpful for those with very limited incomes who are age 65 or older; no medical qualification is necessary for this. Additionally, there is a “homebound pension” for those who need regular assistance with their care; it is not as limited as the Aid and Attendance benefit. Family caregivers can often be reimbursed for providing care under this benefit; veterans sometimes receive assistance in paying for Adult Day Care. There are still income and asset limits if accessing these benefits. Aid and Attendance is generally sought by those in a facility such as nursing homes or Assisted Living/personal care homes. Accessing Aid and Attendance can make the difference in someone being able to afford care in a facility that would otherwise be too expensive.

Aid and Attendance pension monies are available for those who require the regular attendance of another for assistance in activities of daily living, such as bathing, dressing, eating, taking medications, or toileting, who are blind or in a nursing facility. There is a specific monetary benefit, which is considered a reimbursement for medical expenses that reduces income (un-reimbursed medical expenses). This is an entitlement, and does not need to be paid back upon the veteran’s death in most cases (this is not true for care in a VA facility, however). There is an asset “cap” (generally \$80,000) and an income limit after deductions for medical expenses.

In many cases, the asset cap is a determining factor in denial of benefits. There are acceptable methods to reduce the asset limit that are sanctioned by the VA. However, be extremely cautious when these methods are employed by an individual or group who fails to take into account the potential need for Medicaid benefits within five years of applying for VA benefits. Many times, the age and physical disabilities of the veteran or surviving spouse are such that a nursing home is a possibility, or even a probability, in the foreseeable future. Consult with an elder law attorney so that you understand the limitations that a potential application for Medicaid will place on asset management for VA benefits.