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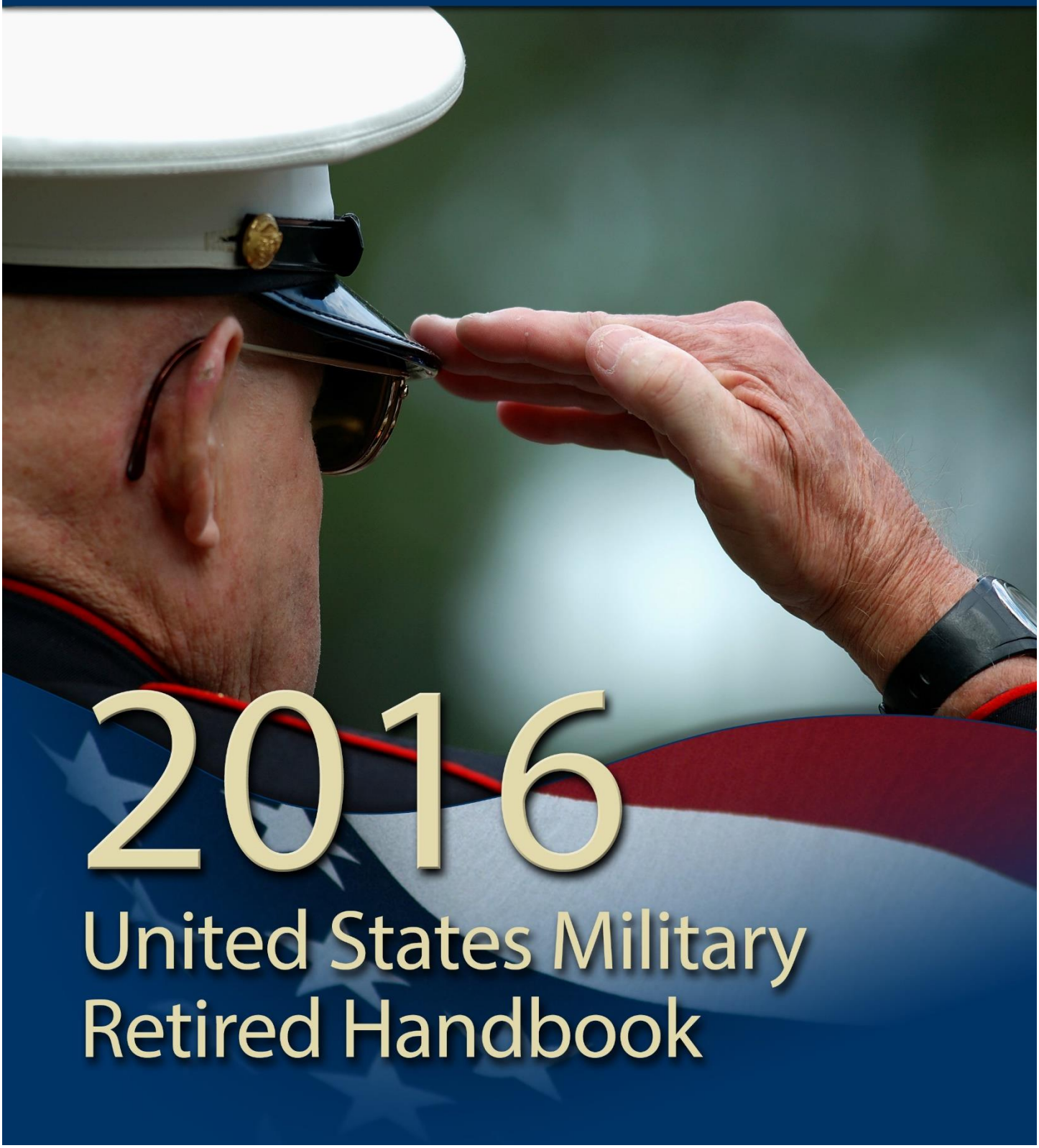

2016 United States Military Retired Handbook

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Introduction

Welcome to retirement! You have worked long and hard to earn military retirement, and now you are about to start enjoying the rewards that your service has earned you.

You are going to find that the transition from active duty military to military retirement is not necessarily easy. Compared to the inevitable stresses encountered in a long career of military service, it's a piece of cake. Still, it's a big step psychologically and represents a major change in what you do each day. Many battle-hardened veterans are caught off guard by just how stressful the change is. There are many complicated rules and regulations to cope with, and just dealing with all of these and choosing among potentially competing benefits can be a real challenge.

To complicate things further, it's not just you who's retiring – it's your whole family and survivors who must also navigate a major change in lifestyle along with a new and different set of rules and regulations.

But stand at ease. This unique handbook will guide you step by step through the entire process. You'll gain a clear understanding of all your rights and privileges, so that you may take full advantage of all the benefits. After all, you've earned them, and a grateful nation wants you to experience and enjoy them.

We hope that you find this *2016 U.S. Military Retired Handbook* helpful, and – along with an entire grateful nation -- we want to thank you for your service and wish you the very best in a long and happy retirement.

– *The Military Handbooks Team*

Retirement Overview

Back in the day -- when your dad was in the Army -- military retirement pay was a cinch to understand: You did your 20 years and received half your base pay. Put in over 20 years and you received 2.5 percent more per year of active duty up to 75 percent.

Then Uncle Sam decided this was just too simple, so Congress started complicating it. It's not as bad as the IRS tax code – which Einstein declared to be the most difficult thing in the universe to understand – but the truth is that it is indeed quite complicated. Don't worry - this guide will walk you through it, making it as simple and clear as possible. By the time you're through, you will know everything you need to know to make intelligent decisions about your future.

The first thing to understand is that military retirement pay differs greatly from typical civilian retirement pay systems. For one thing, unlike civilian retirement plans, "vesting" does not exist in the military retirement system. That is, you are not building up credit over the years in some kind of special retirement accounts. No interest is accumulating nor is the government contributing matching funds for your retirement. Either you qualify for retirement by serving 20 years honorably, or you do not. There is no partial credit building over time.

So, if you get discharged from the military after 19 years, 11 months, and 29 days of service, you are S.O.L. – "sadly out of luck." You didn't put in your 20 years, so you fail to qualify for retirement pay.

Another difference between military and civilian retirement is that in the latter, when you're gone, you're gone. But, in theory, as a retired military member you can be recalled to active duty. In fact, the chances that you'll be recalled to active duty after you've been retired for five years or more are slim.

For the record, DOD puts military retirees into three categories:

- **Category I.** Non-disabled military retirees under age 60 who have been retired fewer than 5 years.
- **Category II.** Non-disabled military retirees under age 60 who have retired 5 years or longer.
- **Category III.** Everyone else, including disabled and warrant officers and health care professionals, who retire from active duty after age 60.

Obviously, Category I is the most likely to be recalled to active duty, and category III is the least likely. Those over age 60 are in category III, which is the same category as individuals with disabilities. The chances of recall of category III retirees to active duty are near zero.

How Retirement Pay is Calculated

This is the part that you want to know about. If you entered active duty or on prior to 8 September 1980, it's quite simple. The retired pay amounts are determined by simply multiplying your service factor (normally referred to as your "multiplier") by your active duty base pay at the time of retirement.

If you first entered a uniformed service* before September 8, 1980:

Compute your retired pay based on length of service by multiplying the basic monthly pay for your retired grade at the time of retirement by the years of creditable active federal service at the rate of 2.5 percent for each whole year of service. This is called the "Final Pay" retirement system. That means you get 50% for 20 years of service up to a maximum of 100% for 40 years.**

If you first entered a uniformed service* between September 8, 1980 and July 31, 1986:

Compute your retired pay using the same formula as the Final Pay system above; except you use the average basic pay for your three highest paid years (36 months) rather than final basic pay. This is called the High 36. Under the High 36 system you get 50% for 20 years of service up to a maximum of 100% for 40 years.**

If you first entered a uniformed service* on or after August 1, 1986 you have the option to take either the High 36 or CSB/Redux Retirement:

- **High 36 Option**: Compute your retired pay using the same formula as the Final Pay system above; except you use the average basic pay for your three highest paid years (36 months) rather than final basic pay. This is called the High 36. Under the **High 36** system you get 50% for 20 years of service up to a maximum of 100% for 40 years. **
- **CSB/Redux Option**: Compute your retired pay by multiplying your **High 36** by 2% per year for the first 20 years, and then 3.5% for each additional year passed 20. That means you get 40% of your High 36 for 20 years, but up to a maximum of 100% for 40 years.**

* Uniformed services include the National Oceanic and Atmospheric Administration (NOAA) and the U. S. Public Health Service (USPHS).

****Note:** Recent changes now allow retirement pay to reach up to 100 percent of the basic monthly pay for those who serve 40 years.

Servicemembers on the Temporary Disability Retired List will receive no less than 50 percent of their basic pay or average high three earnings years. A servicemember may not receive temporary disability retired pay for longer than 5 years from the date they were placed on the TDRL.

The multiplier is the percentage of your base pay you receive for each year of service. For the **Final Pay and High 36** systems you earn 2.5% per year of service. That means you get 50% for 20 years of service up to a maximum of 100% for 40 years.

The multiplier for the **CSB/REDUX** system is 2% per year for the first 20 years, but you get an increase to 3.5% for each additional year passed 20. That means you get 40% for 20 years, but up to 100% for 40 years. That is a significant difference.

Note: Although rare, those who stay in past 40 years can continue to increase their retirement rate beyond 100%.

Learn more about how your Retired Pay is Calculated including a link to calculators to help you determine your retirement pay:

Terminology

Navy and Marine Corps members are considered to be a "retired member" for classification purposes if an enlisted member with over 30 years service, or a warrant or commissioned officer.

Enlisted Navy and Marine Corps members with less than 30 years service are transferred to the Fleet Reserve/Fleet Marine Corps Reserve; their pay is referred to as "retainer pay".

Air Force and Army members with over 20 years' service are all classified as retired, and receive retired pay.

When a Navy or Marine Corps member completes 30 years, including time on the retired rolls in receipt of retainer pay, the Fleet Reserve status is changed to retired status, and they begin receiving retired pay.

Don't be confused by the terminology. In fact, the law treats retired pay and retainer pay exactly the same way.

As you know, service members who remain on active duty or serve in the Reserves or Guard long enough may retire and receive retired pay. Retirees also retain other privileges, like the right to use base facilities, such as the Commissary and gym.

If you entered Service on or after August 1, 1986 and qualify for an active duty retirement, you may choose between two of the current three retirement systems. Members who become disabled while on duty may be medically retired and receive a disability retirement. Additionally, all retirees may choose to participate in the Survivor Benefit Plan or the Reserve Components Survivor Benefit Plan. These plans protect your family financially in the event of your death. Social Security will likely provide you additional benefits once you reach 62 years of age.

Active Duty Retirement

Members who remain on active duty for 20 or more years are eligible for retirement. There are three non-disability retirement systems currently in effect. These are Final Pay, High-3 Year Average, and Military Retirement Reform Act of 1986 (more commonly referred to as REDUX).

The core formula for calculating your retirement is: **Retired Pay Base x Multiplier %**

REDUX was revised by the FY2000 National Defense Authorization Act---a $30,000 Career Status Bonus (CSB) was added for those who accept the REDUX retirement system. Individuals formerly under REDUX may now choose between the High-3 and CSB/REDUX systems. The date you first entered the military determines which retirement system applies to you and whether you have the option to choose your retirement system.

Which Retirement System Relates to You?

All you need to know to determine which system applies to you is the date that you FIRST entered the military. This date is called the DIEMS (Date of Initial Entry to Military Service) or DIEUS (Date of Initial Entry to Uniformed Services). To be clear: the date you first entered the military is the first time you enlisted or joined the active or reserves. Note that this date is fixed – it does not change. Departing the military and rejoining does not affect your DIEMS.

However, some individuals have unique circumstances that complicate determining their DIEMS. Here are a few examples:

- The DIEMS for Academy graduates who entered the Academy with no prior service is the date they reported to the Academy, not the date they graduated.
- Beginning an ROTC scholarship program or enlisting as a Reserve in the Senior ROTC program sets the DIEMS, not the graduation or commissioning date.
- Members who entered the military, separated, and then rejoined the military have a DIEMS based on entering the first period of military service.
- The DIEMS for members who enlisted under the delayed entry program is when they entered the delayed entry program, not when they initially reported for duty.
- For those who joined the Reserves and later joined the active component, their DIEMS is the date they joined the Reserves.

Be aware that your pay date may be different than your DIEMS. Also, your DIEMS does not determine when you have enough time in the service to retire---it only determines which retirement system applies to you.

Not all Services have their DIEMS dates clearly defined in their personnel records. If you have unusual circumstances and are unsure of when your DIEMS date is or believe your records show an incorrect DIEMS date, contact your personnel office to discuss your particular situation.

Now, using the following table, based upon the date you initially entered the military, you can determine which retirement system applies to you.

Comparison of Three Retirement Systems

Retirement System	Criteria to Receive
Final Pay	Entry before September 8, 1980
High-3	Entry on or after September 8, 1980, but before August 1, 1986 OR Entered on or after August 1, 1986, AND did not choose the Career Status Bonus and REDUX retirement system
CSB/REDUX	Entered on or after August 1, 1986, AND elected to receive the Career Status Bonus (if you do not elect to receive the Career Status Bonus, you will be under the High-3 retirement system)

Final Pay Retirement System

Final Pay applies to those who entered the Service before September 8, 1980.

Each year of service is worth 2.5% toward the retirement multiplier. Hence, 2.5% x 20 years = 50% and 2.5% x 30 years = 75%. The longer an individual stays on active duty the higher the multiplier and the higher the retirement pay, up to the maximum of 75 percent.

Final Pay Retirement System Multipliers

Years of service	20	21	22	23	24	25	26	27	28	29	30
High-3	50%	52.5%	55%	57.5%	60%	62.5%	65%	67.5%	70%	72.5%	75%

This multiplier is applied against the final basic pay of the individual's career. Also, remember only basic pay is used in retirement calculations in all retirement systems. Allowances and special pays do not affect retired pay.

Cost of Living Adjustments (COLA) are given annually based on the increase in the Consumer Price Index (CPI), a measure of inflation. Under the **Final Pay** Systems and **High-3**, the annual COLA is equal to CPI. This is a different index than the one used for active duty annual pay raises. The index used for active duty pay raises are based upon average civilian wage increases. Thus, retirement pay COLAs and annual active duty pay raises will differ.

High-3 Year Average Retirement System (High-36 Plan)

This system applies to members who first entered Service after September 8, 1980, but before August 1, 1986. It also applies to individuals who entered on or after August 1, 1986, who do not elect the REDUX retirement system with the Career Status Bonus at their 15th year of service.

Each year of service is worth 2.5% toward the retirement multiplier. Hence, 2.5% x 20 years = 50% and 2.5% x 30 years = 75%. The longer an individual stays on active duty, the higher the multiplier and the higher the retirement pay, up to the maximum of 75 percent.

As a helpful tool, follow this link to the retirement calculator:
http://militarypay.defense.gov/Calculators/ActiveDutyRetirement/High36Calculator.aspx

High-3 Retirement System Multipliers

Years of service	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**
High-3	50%	52.5%	55%	57.5%	60%	62.5%	65%	67.5%	70%	72.5%	75%

This multiplier is applied against the average basic pay for the highest 36 months of the individual's career. This typically, though not always, equals the average basic pay for the final three years of service. Also, remember only basic pay is used in retirement calculations in all retirement system options. Allowances and special pays do not affect retired pay.

Cost of Living Adjustments (COLAs) are given annually based on the increase in the Consumer Price Index (CPI), a measure of inflation. Under the High-3, the annual COLA is equal to CPI. This is a different index than the one used for active duty annual pay raises. The index used for active duty pay raises are based upon average civilian wage increases. Thus, retirement pay COLAs and annual active duty pay raises will differ.

CSB/REDUX Retirement System

The Military Reform Act of 1986 created the REDUX retirement system and it applied to all members who joined on or after August 1, 1986. The National Defense Authorization Act (NDAA) for FY2000 amended this system. The NDAA made two major changes: 1) it allows those in this group to choose between the High-3 retirement system and the REDUX retirement system and 2) it added a $30,000 Career Status Bonus as part of the REDUX retirement system.

The CSB/REDUX retirement system applies to those who entered Service on or after August 1, 1986, AND who elected to receive the $30,000 Career Status Bonus at their 15th year of service.

The REDUX retirement system and Career Status Bonus is a "package deal." It is the combination of these two items that can be advantageous to many individuals. The REDUX portion determines retirement income (the longer one's career, the higher that income) and the $30,000 Career Status Bonus provides current cash – available for investing, major purchases, or setting up a business after retirement.

REDUX System Details

The REDUX multiplier calculation and annual cost of living adjustments differ from the other systems. Also, REDUX has a catch-up increase at age 62 that brings the REDUX retired pay back to the same amount paid under the High-3 System. REDUX is the only military retirement system with a readjustment feature.

Each of the first 20 years of service is worth 2.0% toward the retirement multiplier. But each year after the 20th year is worth 3.5%. Hence, 2.0% x 20 years = 40%. But a 30-year career is computed by 2.0% times the first 20 years plus 3.5% for the 10 years beyond 20, resulting in the maximum of 75%. The table below summarizes the initial multiplier at various years of service under REDUX.

REDUX Multiplier by Years of Service *(Verified 11/22/14)*

Years of service	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**
REDUX	40%	43.5%	47%	50.5%	54%	57.5%	61%	64.5%	68%	71.5%	75%

Under REDUX, the longer an individual stays on active duty, the closer the multiplier is to what it would have been under High-3 up to the 30-year point where the multipliers are equal. *(Verified 10/26/15)*
http://militarypay.defense.gov/Calculators/ActiveDutyRetirement/CSBREDUXCalculator.aspx

In precisely the same way as High-3, this multiplier is applied against the average basic pay for the highest 36 months of the individual's basic pay. This typically, though not always, equals the average basic pay for the final three years of service. Once more, remember this is basic pay; allowances and special pays do not affect retired pay.

Cost of Living Adjustments (COLAs) for retired pay are given annually based on the increase in the Consumer Price Index (CPI), a measure of inflation. Under REDUX, the COLA is equal to CPI minus 1%.

A feature unique to REDUX is a re-computation of retirement pay at age 62. Two adjustments are made. The first adjusts the multiplier to what it would have been under High-3. For example, a 20-year retiree's new multiplier would become 50%, a 24-year retiree's multiplier would become 60% but a 30-year retiree's would remain 75%. This new multiplier is applied against the individual's original average basic pay for his or her highest 36 months. Then the second adjustment is done. Full CPI for every retirement year is applied to this amount to compute a new base retirement salary. At age 62, the REDUX and High-3 retirement salaries are equal. But REDUX COLAs for later years will again be set at CPI minus 1%.

The $30,000 Career Status Bonus

Those members who elect the CSB/REDUX retirement system at their 15th year of service receive a $30,000 Career Status Bonus. To receive this bonus, the member must agree to complete a twenty-year active duty career with length-of-service retired pay under the 1986 Military Retirement Reform Act -- 1986 MRRA or REDUX. Continuation beyond twenty years is possible, subject to Service personnel management actions. However, the member's commitment with the CSB is only to the 20-year point. The entire $30,000 bonus, or first installment payment for those electing a multi-year payment option, is paid shortly after the member makes the CSB/REDUX election and commits to the 20-years-of-service obligation. (Exact mechanics should be provided by your Service near the point you have 14 and 1/2 years of service.)

If the member fails to complete the obligation of the twenty-year career, the member must repay a pro-rated share of the bonus.

The question of whether or not to take the $30,000 bonus is a perplexing one. It actually depends on whether or not you have the self-discipline to make good use of the bonus. If you are going to take the bonus, invest it, and keep it invested with compounding secure double-digit returns, or use it as a down payment on real estate that will appreciate in value over the years, take the bonus and use it wisely.

Unfortunately, experience shows that most people do not make wise use of this much cash. They blow it off on a new car or great vacation, never realizing the true cost – a greatly reduced standard of living during retirement -- until it is too late.

The $30,000 Reality Check

Q. When should you turn down a free $30,000?

A. When it costs you hundreds of thousands of dollars

Choosing to take the $30,000 when offered the Career Status Bonus (CSB) and reverting to the REDUX retirement plan could cost you hundreds of thousands of dollars in your future retirement pay.

Servicemembers and their families need to look hard before they decide to take this retirement option. It could mean the difference between actually retiring or working years beyond anticipated retirement.

Thousands of soldiers and sailors – about half of those eligible -- have elected to receive the Career Status Bonus and revert to the REDUX retired pay system since they were first eligible. Most of them are probably making huge mistake. If this were a business operating this scam instead of the government, people would be going to jail.

It's hard to resist the offer of a big chunk of cash. What could be more tempting than tens of thousands of free cash?

The problem is that the cash is not free at all. First of all, it's taxable. Uncle Sam might be handing you a pile of cash, but he immediately takes a lot of it back when you file your income tax return. With one hand, he gives you $30,000, with the other he takes back between $5,000 and $10,000 depending on your tax bracket.

Second, taking the cash means choosing a reduced retirement plan of 40 percent of basic pay when you retire after 20 years of service. You need to be highly aware of what the loss of money from a reduced retirement means to your future.

Let's look at two members of the military, each choosing differently for their retirement plan.

Jones is smart. He decides to refuse the CSB and to remain on High-3 for retirement. High-3 retirement pay is based on the highest average basic pay for 36 months of a Sailor's career times a multiplier equal to 2.5 times the number of years of active duty service. High-3 retired pay increases annually through cost-of-living adjustments (COLA) based on the Consumer Price Index. So Jones's retirement will be 50 percent of basic pay for 20 years of active duty service and an additional 2.5 percent for each additional year served.

His buddy Smith wants the money now! So he chooses to take the CSB and revert to the REDUX retirement option. He'll receive the taxable $30,000 Career Status Bonus; however, retirement pay after 20 years of active duty will be only 40 percent of basic pay. Additionally, any COLA increases for REDUX retirees will be applied at one percentage point less than that received by High-3 retirees. Plus, the $30,000 bonus is treated like any other bonus payment for taxes.

Smith is in the 15 percent tax bracket, so his bonus payment is reduced to $25,500. For those in a 28 percent tax bracket, the bonus payment plummets to $21,600. Depending on pay grade and length of service at retirement, Sailors will lose not only thousands of dollars in retirement each year with REDUX, but any COLA change is reduced by a full percentage point.

Retirement pays for High-3 and REDUX are set equal to each other at age 62: the REDUX retirement multiplier is adjusted to what it would have been under High-3 and full COLA for every retirement year is applied to this amount to compute the new base retirement salary. Thereafter, annual COLA increases continue to be one percentage point less with REDUX.

Serious financial planning needs to be part of the equation when making the decision to elect to receive a CSB and revert to REDUX for retirement, or turn down the bonus and stay with the High-3 retirement system.

The smart way to look at the Career Status Bonus as an early cash-out "loan" to be paid back later by smaller retirement paychecks.

CSB has a peculiar payback scheme. Smith pays nothing until retirement, then pays big time from the beginning of retirement until age 62, and then keeps paying back smaller amounts over the rest of his life.

Smith could end up paying back the money at a 9- to 10-percent interest rate. Moreover, the term of the loan is based on how long he lives. Why would you want to take on any loan that you have to pay back for the rest of your life?

Choosing CSB and REDUX reduces income in retirement. The higher the grade and the lower the years of service at retirement, the more retirement income is reduced. In short, fast-trackers who retire early are penalized most severely.

Say that Smith becomes an E-6 with 20 years of service at age 40. Selecting CSB and REDUX at 15 years, Smith pays an implicit interest rate of 10.4 percent for the cash-out and loses $193,630 after-tax retirement income assuming he lives to an average age of 79 years. Economists estimate that a typical enlisted member with 20 years of service will cut the lifetime value of his or her retirement by $309,000.

Bottom line: before you take the money and run, think it over carefully. Does it make sense to pay $10 for a $1 loan? Look at the real world facts. If you want to analyze the situation further, check out the DoD website http://militarypay.defense.gov/Calculators.aspx where you'll find a retirement pay calculator that lets you compare directly the retirement benefits of High-3 and REDUX retirement plans.

Retirement Choice

Members who entered the service after July 31, 1986, are given a choice of retirement plans at their 15th year of service. They have two options:

1. Take the pre-1986 retirement system (High-3 Year Average System) OR
2. Elect the post-1986 retirement system (Military Retirement Reform Act (MRRA) of 1986, commonly referred to as REDUX) and take a $30,000 Career Status Bonus (CSB).

Both options have their own merits. Neither is universally better than the other. Which option is more advantageous can only be determined by each individual based on his/her own unique circumstances and preferences.

The following chart summarizes the differences among the three current retirement systems.

Three Retirement Systems Compared

Retirement System	Basis	Multiplier	COLA	Readjustment	Bonus
Final Pay	Final basic pay	2.5% per year up to 75%	CPI	None	None
High-3	Average of highest 36 months of basic pay	2.5% per year up to 75%	CPI	None	None
CSB/REDUX	Average of highest 36 months of basic pay	2.0% per year for the first 20 years; 3.5% for each year beyond 20, up to 75%	CPI - 1%	At age 62, 1) changes multiplier to 2.5% per year up to 75% 2) adjusts COLA to full CPI for past retired years	$30,000 at 15th year of service with commitment to complete 20 year career

Frequently Asked Questions

How do I know if I'm under High-3 or the pre-1980 system?

In the same way the Date Initially Entered Military Service (DIEMS) determines who is in High-3 versus who may choose their retirement system, your DIEMS determines if you are under High-3 or the pre-1980 system referred to as Final Pay. Here are the common examples of circumstances that cross the September 8, 1980, date.

- Academy graduates who entered the Academy prior to, but graduated after, September 8, 1980, are under the Final Pay System.
- ROTC graduates who began a ROTC scholarship program or enlisted as a Reserve in the Senior ROTC program prior to September 8, 1980, are also under the Final Pay System.
- Officer and enlisted members who initially entered the military prior to September 8, 1980, separated, and after a break in service, rejoined the military, are under the Final Pay System, even if their pay date was adjusted to a date of September 8, 1980, or later.
- Members who enlisted under the delayed entry program before September 8, 1980, are Final Pay even if they initially reported for duty, after September 8, 1980.

I've always been told my Academy time doesn't count toward my retirement. You're telling me differently?

No. You've been told correctly. Academy time does not add to your years of service and, thereby, increase your retirement pay. But, the date you entered the Academy determines (in most cases) WHICH retirement system you receive.

For retirement choice, when do I have to decide?

Typically, you must decide between 14 1/2 and 15 years of service. The date may be later if you receive your notice of eligibility late.

When do I get the bonus?

Should you decide to obtain a single lump-sum payment, you will receive your bonus within 90 days of your submitting your election paperwork and its acceptance by your Service. Thus, you will normally be paid by the 15 year and 3 month point of your career. Alternatively, you may decide to accept your payment in installments over a period of up to five years. This alternative was authorized in the FY2002 NDAA, and, therefore, exact mechanics on this option will be forthcoming. An advantage of accepting your bonus over a period of time is that you will be able to place more funds (potentially the entire bonus) into the TSP. Such a strategy – thanks to the matching feature – can make a big difference in retirement income.

Suppose I take the Career Status Bonus and later change my mind, can I? Even if I give the bonus back?

Electing your retirement system is an irrevocable decision. You cannot change your election, even if you return the Career Status Bonus. Your decision is not considered a final decision until you complete your 15th year of active duty service. Check carefully with your Service to see when your election will be considered final and thus, no longer revocable.

What happens if I take the Career Status Bonus and am forced to separate?

Generally speaking, if you fail to complete a 20-year career, by law, you are required to return a pro-rated share of the retention bonus for the time you did not complete.

When is it advantageous to take the bonus?

Each individual's unique circumstances will determine which retirement option is better. The CSB/REDUX option should be carefully considered for individuals who are planning longer careers. The multiplier under REDUX comes closer to the High-3 multiplier the longer the individual stays in beyond 20 years, and finally the multipliers become equal at 30 years. Also, everyone that invests the bonus would have 5 to 15 years of compounded savings accumulated at their retirement point. If the $30,000 bonus were allowed to compound at 7% for ten-years, it would grow to approximately $60,000. If it were invested at 10% for fifteen years, it would compound to over $120,000.

This is a hard decision; who can help me decide?

In the end, only you can make the decision, but there are many sources of assistance. The DoD webpage hosts a calculator that will aid you by estimating the value of the two options in relation to your personal situation. You should also seek assistance from resources on your base such as financial counselors, your chain of command, and your personnel office.

I'm a member of the Reserves, how does this affect me?

If you are a post-July 1986 member who is serving on active duty with 14 and 1/2 years of retirement creditable active service, you may also choose between High-3 and CSB/REDUX. The reduced retired pay Cost-of-Living Adjustments (COLAs) of REDUX will apply only to persons who elect the CSB.

Reserve members anticipating a Reserve retirement at age 60 (called a non-regular retirement) are not eligible to elect the CSB/REDUX option, because the non-regular retired pay multiplier was unaffected by the 1986 REDUX retirement

changes. They were, however, affected by the reduced COLA provision which set COLA to CPI minus one. Recent legislation removed this provision so that Reservists who entered after July 1986 and who will receive a Reserve retirement at age 60 will receive full CPI COLAs.

I'm under High-3 (entered service before August 1986), can I take the bonus and switch to REDUX?

No. Only service members who entered the service on August 1, 1986, or later are authorized to choose their retirement system.

Is the $30,000 bonus taxable?

Absolutely! If you receive the bonus in a single payment, by using a TSP, you may shelter up to the IRS maximum, which is $11,000 for the year 2002, from taxes by placing it into a TSP account. However, if you receive the bonus in installments, you may contribute money to the TSP each year, and, thus, increase the amount you are sheltering from taxes. Other rules and limits may apply to those in receipt of non-taxable pays in a Combat Zone or Qualified Hazardous Duty Area (QHDA). Consult your Service tax authorities and TSP information sources for more specifics.

At what rate is the bonus taxed?

The bonus is taxed at your Federal, and, if applicable, state, tax rate. Upon receipt, the portion not placed into the TSP will be subject to the same tax consideration as any other bonus pay. Should this exceed your tax rate, you would have the excess returned in your Federal tax refund.

Will I be able to put the bonus in my IRA?

Standard IRA rules are unaffected.

Retired and Annuitant Pay

Preparing for Retirement

Prior to your retirement, it is important that you attend any briefing offered by your command concerning the retirement system. The decisions you make at the time of retirement affect the amounts of your retirement benefits and of your survivor's benefits. Some decisions – once made -- cannot be changed, so careful consideration of all options is crucial.

Retired Pay Estimates

For Air Force members, you can obtain an estimate of your retired pay at your local Military Personnel Flight (MPF).

The Army's Retirement Services Office (RSO) will also estimate retirement pay.

Navy or Marine Corps members can receive an estimate of your retired pay by obtaining, completing and submitting a Pre-Retirement Pay Information Request (NAVCOMPT 2274) to DFAS Cleveland. This form may be obtained from your local disbursing officer. Additional Pre-Retirement Pay Information Request may be submitted if your pay data changes prior to your retirement.

SBP Cost and Annuitant Estimates

The MPF for Air Force retirees also calculates cost and annuity values for Survivor Benefit Plan (SBP) option. RSO's (Army) will also calculate SBP cost and annuity values. If you are a Navy or Marine Corps retiree you can receive information on SBP by completing and submitting a NAVCOMPT 2274 to DFAS Cleveland. You may also request multiple estimates if you wish to obtain information for more than one SBP election and / or federal income tax withholding exemption allowance computation.

Establishing Retired Pay Account

Much of the preparation for the retired pay account should be done before separation. Retired Pay Operation will answer any questions you may have concerning the establishment of your retired pay account.

Your retired account will not be established until your active duty account reflects the fact that you have been released from active duty. This is required to expedite the establishment of your account. It is important that your command closes your active duty account. Your account cannot be established until this action is accomplished.

Documents/Events

The following documents/events form the basis for the establishment of your retirement account and are to be completed as part of your pre-retirement preparation.

Data for Payment of Retired Personnel (DD 2656)

This form is available in your disbursing office (Navy), Military Personnel Flight (Air Force) your installation's RSO (Army) or is sent to Marines along with their retirement order. It must be completed and submitted in accordance with your branch of service's policy. The form must be completed prior to your retirement / transfer date. It requires you to provide DFAS with dependency information, your SBP election, beneficiary information to whom unpaid retired pay will be paid at the time of your death, and withholding information for Federal and State tax purposes. All of this information is used to build your retirement pay account.

SBP Election Statement for Former Spouse Coverage (DD 2656-1)

In addition to the DD 2656, if you elect some type of Former Spouse SBP coverage, you must also complete a DD 2656-1.

Allotment Authorization

You can start, stop, or change current allotments by requesting action by the office that takes care of your active duty pay account. Ensure that your allotment total will not exceed your retirement pay. All necessary adjustment to your allotments should be made at least 30 days prior to retirement. Retirees are permitted to have a maximum of 6 allotments, classified as discretionary allotments; those that are discretionary have been identified with the word "Discretionary".

1. The following allotments cannot be carried forward to your retired accounts:
   - Charity allotments, except contribution to Navy/Marine Corps Relief Society, Army Emergency Relief or Air Force Assistance Fund
   - Education allotment
2. The following allotments may be carried forward to your retired pay account if at least one month's payment was made while on active duty:
   - Loan repayment to Red Cross
   - Saving Allotment - Discretionary
   - Home Loans - Discretionary
   - U.S. Saving Bond (Bonds established for safekeeping while on active duty cannot be carried forward to your residence other than your own) - Discretionary
   - Dependency allotment (To spouse, former spouse (s), children, grandmother, and/or anyone having a permanent residence other than your own) - Discretionary
   - National Service Life Insurance - Discretionary
   - Commercial Life Insurance - Discretionary
   - Navy/Marine Corp Mutual Aid Insurance - Discretionary
   - Repayment of a debt to a federal agency and tax levy assignment to the Internal Revenue Service (IRS)
   - Charitable contributions to Navy/Marine Corps Relief Society, Army Emergency Relief, or Air Force Assistance Fund
   - Repayment of loan to Navy Relief Society, Army Emergency Relief, or Air Force Aid Society
   - Veterans Group Life Insurance - Discretionary
   - TRICARE Retired Dental Program - enrollment and withdrawal must be done through Delta Dental - Discretionary

The following is general information for starting/changing allotments after your retirement:

The dollar amount of allotment may not exceed your gross retired pay less deduction for SBP and federal withholding tax and any other deduction. To request an allotment start, stop, or change, furnish DFAS with the month of start, termination, or change; the amount, and the full name and address to which the allotment is to be sent. Request for allotment action can be made by:

- Letter must include your signature and your social security number.
- Employee Member Self Service (See Maintaining your pay account).

- Air Force members may elect allotment changes at their local Finance Services Office (FSO).
- Start, stop or adjustment actions for either National Service Life Insurance or Veterans Group Life Insurance should be sent to DFAS via the Department of Veterans Affairs or Office of Serviceman's Group Life Insurance, respectively.
- It is not necessary to provide the policy numbers for changes to insurance allotments. You must request starts, stops, and changes by referencing the monthly premium amount and the name of the company.
- Excess allotment payments made on your behalf are a matter solely between you and the payee. We cannot take steps to recover the payment.

Payment Method/Schedule

Your net retired/retainer pay should be sent to your financial institution by Direct Deposit unless you reside in a foreign country in which Direct Deposit is not available. Your retired pay will be deposited to your account on the first business day of the month following the end of the month. Complete the appropriate sections of Part I of the DD 2656 with the Routing Transit Number (RTN), Financial Institution Name and Address, your Account Number and whether or not your account is a Checking or Savings account. Direct Deposit enables your payment to be deposited directly to the bank, saving and loan association, or credit union of your choice. Direct Deposit has the following advantages:

- It eliminates the possibility of your check being lost, stolen, forged or destroyed in delivery. Treasury Department statistics show that over one million checks are either lost or stolen each year.
- It eliminates the inconvenience of cashing and depositing your check.
- It assures deposit of your pay on the first business day of the month following the month for which payment is due.
- It assures the delivery, deposit, and availability of your pay while you travel.
- After you retire, you will need to notify retired pay whenever you change your financial institution. Do not close your old bank account until you receive the first deposit in the new financial institution.

Establishing Your Account

Your First Payment and Communication from DFAS Cleveland

Your first payment for retired pay normally will arrive 30 days after your release from active duty, or, on the first business day of the month following the month of first entitlement to pay. In a separate mailing, you will receive a letter, which will show you how your pay was computed. This will include your deductions for SBP, federal/state income tax, and allotments.

Retired Establishment Data from Military Personnel Community

In addition to the forms that have been mentioned previously that are used to build your retired account, DFAS will receive retirement information from the personnel community in order to establish your pay account. In the case of Navy non-disability retirees who have at least 20 years service, if the personnel information that certifies your actual service for retirement purposes is not received in time, your account will be established assuming 20 years service at your present grade. When the actual service information is received, your account will be adjusted to show the correct data. Any retroactive pay adjustment will be forwarded by a separate payment.

How Your Retirement Pay Is Computed

Calculation

For Navy and Marine Corps members, you are considered to be a retired member for classification purposes if you are an enlisted member with over 30 years service, or a warrant or commissioned officer. Enlisted Navy and Marine Corps members with less than 30 years service are transferred to the Fleet Reserve/Fleet Marine Corps Reserve and their pay is referred to as "retainer pay". Air Force and Army members with over 20 years service are all classified as retired. When a Navy or Marine Corps member completes 30 years, including time on the retired rolls in receipt of retainer pay, the Fleet Reserve status is changed to retired status. Retired pay amounts are determined by multiplying your service factor (normally referred to as your "multiplier") by your active duty base pay at the time of retirement. By law, the gross retired pay must be rounded down to a whole dollar amount.

Service Factor (Multiple)

If you are a retiree with 30 or more years of service, your multiple is 75 percent. If you are a retiree/Fleet Reservist with less than 30 years, this factor is determined by taking 2 1/2 percent times your years of service. Years of service include credit for each full month of service as one-twelfth of a year. "Years of service" for officers includes all active service, periods of inactive reserve service prior to June 1, 1958, ROTC active duty time prior to October 13, 1964, constructive service credit for Medical and Dental Corps, and drills performed while in the inactive reserve after May 31, 1958. "Years of service" for Fleet Reservists and all other enlisted retirements include all active service, active duty for training performed after August 9, 1956, any constructive service earned for a minority or short-term enlistment completed prior to December 31,1977, and includes drills performed while in the Active Reserves.

Base Pay at Time of Retirement

- If you entered the service before September 8, 1980, your base pay for retirement is the same as your last active duty pay. (Remember, your allowances are not considered). An example of this type of retired pay calculations is as follows.
- A Navy or Marine E-8 is transferring to Fleet Reserve on July 31, 2000 with 22 years, 8 months service. The member's pay would be computed as follows:
- 2 1/2% x 22.67 years = 56.68%
- 56.68% x $3161.10 (July 1, 2000 Active duty rate for an E-8 over 22 years) =$1791.71 or $1,791.00.
- For those who entered the Armed Forces on or after September 8, 1980 the base pay is the average of the highest 36 months of active duty base pay received. The base pay for members having less than three years service is the average monthly active duty basic pay during their period of service. For certain retirees who entered the Armed Forces on or after September 8, 1980, the initial cost-of-living increase is reduced.
- For those who entered the Armed Forces on or after August 1, 1986, the base pay is computed in the same way as it is computed for retirees identified in the section above titled "Base Pay at Time of Retirement". However, there are differences in how cost-of-living increases are computed.

Tower Amendment

In addition to the computation explained previously, your pay will be computed according to provisions of the Tower Amendment if it applies to your situation. The Tower Amendment was enacted to ensure that you will not receive a lesser amount of retired pay than you would have received if you had retired on a prior date. The Tower eligibility date is usually the day prior to the effective date of an active duty pay increase. Tower pay is computed by utilizing the active

duty pay rates in effect on that date, your rank/rate on that date, total service accumulated on that date, and all applicable cost-of-living increases.

1. Using the previous example, the member was an E-8 and had 22 years, 1 month, service on December 31, 1999. The member's pay would be computed as follows:
   - 2 1/2% x 22.08 years = 55.20%
   - 55.20% x $3,119.40 (January 1, 1998 Active duty rate for an E-8 over 22 years) =$1,721.90 + 2.8% (COL Increase) = $1,769.00.
2. Since the E-8 was eligible to transfer to the Fleet Reserve on December 31, 1998, we would also compute the entitlement as of that date. The E-8 has 21 years, 1 month service. The pay would be computed as follows:
   - 2 1/2 % x 21.08 = 52.70%
   - 52.70% x $2,976.60 (1/1/99 active duty rate for an E-8 over 21 years) = $1,568.00+ 1.3% (COL Increase) = $1,588.00+ 2.8% (COL Increase) = $1,632.00.
3. In this situation therefore, this Fleet Reservist would receive monthly retainer pay of $1,796.00 since the Tower Amendment computations are not more beneficial than the current pay computation.

Disability Retirement

If you have been found to be physically unfit for further military service and meet certain standards specified by law, you will be granted a disability retirement. Your disability retirement may be temporary or permanent. If temporary, your status should be resolved within a five-year period.

The amount of your disability retired pay is determined by one of two methods:

1. The first method is to multiply your base pay or average of highest 36 months of active duty pay at the time of retirement, by the percentage of disability which has been assigned. Members who entered the service September 8, 1980 or later must use the highest average formula. The minimum percentage for temporary disability retirees will equal 50%. The maximum percentage for any type of retirement is 75%. This computation is sometimes referred to as “Method A”.
2. The second method is to multiply only your years of active service at the time of your retirement by 2 ½% by your base pay or average of highest 36 months of active duty pay at the time of retirement. This computation is sometimes referred to “Method B”.

DFAS establishes your account using the method that results in the greatest amount of retired pay. If you desire that another method be used, you may request (in writing) that the other method be used.

Deductions

1. Federal Withholding Tax

In most cases, retired pay is fully taxable. The amount of taxable income is reduced by SBP costs and any waiver for VA compensation. The amount deducted from your pay for federal withholding tax is based on the number of exemptions you indicate on either your pay data form or your W-4 after retirement. To change your withholding tax status or to request an additional withholding amount after retirement:

- You can forward an IRS Form W-4 to DFAS Cleveland.

- Air Force retirees can visit their local Financial Services Office or Air Force Base to change their Federal Income Tax Withholding information. Some Navy Personnel Support Detachments (PSDs) and Army Retirement Service Offices (RSOs) also offer this service.
- Disability retirement payments are taxable for those members with either total military service after September 24, 1975, or who were in the service before this date but were not on active military service or under binding written commitment to become a member of the armed services on September 24, 1975. Disability retirement payments are nontaxable for those members with total military service before September 24, 1975; members who were on active military duty or under binding written commitment to a member of the armed services on September 24, 1975, or members whose disability retirement has been deemed as combat related, regardless of their active military service. If your calculation is based on Disability Retirement, only that portion of your pay which would have been received under the actual percentage of disability calculation is non-taxable.
- The amount of taxable income may be further reduced by any SBP cost. If, after retirement, you waive a portion of your pay in favor of VA compensation, your taxable income will be reduced by the amount of VA compensation or the amount of percentage of disability calculation, whichever is greater.

2. State Withholding Tax

State tax withholding is on a voluntary basis and must be in whole dollar amounts. $10.00 is the minimum monthly amount. Before making your request in writing, you must contact the taxing authority in the state in which you have established residence to determine if you are required to pay state income tax. If you are an Air Force retiree, you may contact your local Financial Services Office at the Air Force Base to adjust your state income tax withholding information. Some Navy Personnel Support Detachments (PSDs) and Army Retirement Service Offices (RSOs) can adjust your state tax withholding information. Navy personnel should check with their local PSD to see if this service is available.

3. Federal Insurance Contribution Act (Social Security)

Retired/retainer pay is not subject to FICA deductions, nor is your retired pay reduced when you become entitled to social security payments.

VA Compensation

All retiring members can apply for VA benefits prior to retirement and in some circumstances service personnel will complete the application for you. If you are eligible, a service-connected disability will be established.

The following benefits accrue as a result of VA compensation:

- VA compensation is non-taxable
- VA approved disability gives a retiree priority admittance to VA hospitals for medical treatment for your disability
- VA outpatient facilities are available for treatment of your disability
- If you die as a result of the service-connected disability, your surviving spouse is eligible for Dependency and Indemnity Compensation (DIC) from the VA
- Even a rating by VA of 0 percent (although of no monetary benefit) documents your physical condition as service-connected
- A rating by VA of 30 percent or higher allows you to receive additional tax-free allowances for your dependents

- Annual cost-of-living increases to your compensation amount
- VA disability percentage (and VA compensation) can be increased, based on a request and approval of reevaluation, resulting in increased tax-free compensation
- Possibility of purchasing up to $10,000 of National Service Life Insurance without a physical exam: If you are awarded VA compensation, the gross amount of the compensation is deducted from your retired pay.

The VA advises DFAS of all changes in VA compensation amounts. However, if the amount of your VA compensation does not match the amount deducted from your retired paycheck, you should immediately notify DFAS and the VA to resolve the discrepancy.

IMPORTANT: The Comptroller General has ruled that you will be held responsible for any overpayment even if it is the result of an administrative error.

Special Compensation for Severely Disabled

Certain severely disabled retirees of the Uniform Services that have a disability rating as reported by the Department of Veterans Affairs (VA) are entitled to special compensation. The special compensation entitlement is paid for that month in accordance with the following schedule:

- 70% or 80% = $100.00
- 90% = $200.00
- 100% = $300.00

You must meet all of the following requirements for entitlement to special compensation for severely disabled:

1. You are not retired from the military for a disability.
2. You are in a retired status and on the retired pay rolls. Members recalled to active duty are not in a retired status.
3. You have 20 or more years of service for the purposes of computing retired pay. A reservist must have 7,200 or more points to qualify.
4. The VA rating for disability of 70% or higher must be awarded within 4 years of retirement.
5. The VA rating must be 70% or higher for each month. If the rating falls below 70% any given month, then the retiree has no entitlement to the special compensation for that month.

Foreign Employment

Any applicant who accepts employment with a foreign government without approval is subject to having reserve or retired pay withheld for the period of unauthorized employment. If you are retired and contemplating employment by a foreign government, you must obtain approval from the Secretary of the service concerned and the Secretary of State. For more information contact:

- **Navy -** The Office of the Judge Advocate General, 200 Stovall Street, Alexandria, VA22332-2100.
- **Air Force -** HQ AFMPC/DPMARR3, 550 C Street West, Suite 11, Randolph AFB TX 78150-4713.
- **Marines -** HQMC (MMSR-6), 3280 Russell RD, Quantico, VA 22134-5103 or call 1-800-336-4629 if there are any questions.

- **Army** - U.S. Army Reserve Personnel Command, Attn: ARPC-SFR-SCI, 1 Reserve Way, St. Louis, MO63132-5200.

Severance Pay/Separation Pay

A member who receives non-disability severance pay, separation pay, special separation benefit (SSB) or voluntary separation incentive (VSI) who later qualifies for retired pay will repay an amount equal to the total amount of separation pay received. The amount of repayment will be computed when retired pay is established.

How to Maintain Your Account

Changes in Account Data

Once a retired pay account has been established, it is especially important that retirees keep DFAS up-to-date on current information. DFAS must be advised of changes to address, Direct Deposit or tax withholding information. We may also need to be advised of changes in marital or dependency status if you have Survivor Benefit Plan coverage.

Even though payments are sent directly to the retiree's bank account, the mailing address is very important for other mailings throughout the year, such as 1099R tax statement, if applicable. DFAS Retired Pay Customer Service Center is the contact point for any matter concerning retired pay accounts.

Retirees may contact the DFAS Retired Pay Customer Service Center at 1-800-321-1080, Monday through Friday from 7:00 a.m. to 7:30 p.m. Eastern time.

Retirees can also change bank and mailing addresses by using myPay at https://mypay.dfas.mil/mypay.aspx.

Toll-Free Number

The toll-free number, which may be used for any calls, made within the Continental United States, including Alaska and Hawaii is 1-800-321-1080. The commercial number for calls made from outside these areas is (216) 522-5955, or DSN 580-5955. All telephone lines are staffed Monday through Friday from 7:00 a.m. - 7:30 p.m., Eastern Time. Toll-free lines are reserved for use for our customers. The above numbers can be used for general questions about your account and notifications such as: change of address, etc. You must sign requests that involve monetary changes. Therefore, this type of change cannot be handled by phone. If the monetary change will prevent an overpayment to you, an exception will be made to this rule.

Legal Matters

DFAS is responsible for all aspects of your retirement pay, including implementing pay changes based on legal orders from a court.

Automated Voice Response System

DFAS also has an Automated Voice Response System on the toll-free number. The system gives you answers to the most commonly asked questions. You can access your own retired pay account 6 days a week (except Sunday), 24 hours a day. You will be able to access the Voice Response System from either a touch tone or rotary phone. Shortly after you retire you will be sent a letter that contains a system assigned Personal Identification Number or PIN. You will use the PIN and your Social Security Number to access the Voice Response System. Once you have successfully entered your Social Security Number and system assigned PIN, you must change your PIN to any four numbers you like. You will have 120 days after the PIN is assigned to change your PIN number or the system assigned PIN number will be deactivated.

myPay

myPay (https://mypay.dfas.mil/mypay.aspx) is a tool to help retirees manage their pay. The self-service tool lets retirees make changes to their pay account information through the Internet. Retirees can access the system anytime and anywhere. Individuals can make changes instantly online instead of waiting in lines at the base pay office or mailing in forms. Retirees can access their pay information by using a Personal Identification Number (PIN) and their Social Security Number.

You can access myPay using the following method:

- Personal computer via the Internet

Using myPay, you will be able to:

- see your last two Retiree Account Statements
- see your last IRS 1099-R
- change your Federal tax withholding status and exemptions
- change your state tax
- start, stop, or change allotments (electronic fund transfer- EFT payment only)
- start, stop, or change bonds
- change or update correspondence address
- update financial institution information, such as electronic fund transfer information
- you can check myPay to see if your change was processed 3 working days after you input the information

What if you didn't have a myPay PIN before retirement?

If you did not have a myPay PIN before retirement, then shortly after you retire a letter will be sent to you that contains a system generated PIN. You will use the PIN and your Social Security Number to access the myPay online.

Once you have successfully entered your Social Security Number and system assigned PIN, you can change your PIN to any four numerical digits. You will have 30 days after your PIN number is assigned to change your PIN number or it will be deactivated.

Another way to get a PIN is to access myPay online and request a new PIN by selecting the button "NEW PIN" located on the left hand side of the page.

Changes in Benefits

DFAS also must honor tax levies for delinquent taxes issued by the Internal Revenue Service (IRS). As in the case of garnishments, the collection action is mandatory and any rebuttal concerning the levy must be addressed to the IRS. Levies are continuous and collection will run until the entire amount is either collected or the IRS informs us that DFAS is released from collecting the levy amount.

Retiree Account Statement: You will receive a statement with your first payment from DFAS and thereafter only when monetary changes occur in your retired pay account.

Cost-of-Living Increases

Current provisions of law authorize periodic increases to retired pay. These increases were intended to reflect rises in the Consumer Price Index (CPI). The increases affect the amounts of gross monthly pay, federal withholding tax, SBP costs and annuities. Retired members who entered the Armed Forces on or after September 8, 1980 and who became entitled to retired pay on or after January 1, 1996 will receive an initial cost-of-living increase computed, using the quarter of the retirement date, minus 1%. Cost-of-living increases thereafter for members meeting the above conditions will be unreduced. Cost-of-living increases for retired members who entered the Armed Forces on or after August 1, 1986, will be reduced by 1%.

Federal Civil Service Retirement

Should you subsequently retire from federal civilian service and wish to waive your military retired pay (in order to include your military service in the computation of your civil service annuity), DFAS should be advised, in writing, at least 60 days prior to your planned civilian retirement date. It is suggested that you contact your civilian personnel office prior to the submission of your waiver request to ensure that you are aware of all the available options. If you elect survivor coverage from your civil service annuity, your military SBP participation will be suspended while you receive the civil service annuity. If you want to retain military SBP you may do so, but you must then decline survivor annuity from the Office of Personnel Management. If your pay is subject to court-ordered distribution, you must authorize an allotment in an amount equal to the distribution, in order to include military service in the civil service annuity computation.

Please sign your written request and include your Social Security Number.

Garnishment

Your retired pay is subject to garnishment for payment of child support or alimony upon the issue of a writ of garnishment by a state or federal court. Office of General Counsel, Directorate for Garnishment Operations will notify you should a garnishment be applied to your retired pay. Any action to rebut the writ of garnishment or to restrain its execution must be taken through the court, which issued it. DFAS is under a legal obligation to enforce the writ and has no authority to modify it in any way.

Payments to a Former Spouse

Your retired pay is subject to court-ordered distribution to a spouse or former spouse where the parties were married to each other for at least 10 years during which you performed at least 10 years of creditable military service. The distribution can consist of a division of disposable retired pay. This division may include community property or payments of alimony and/or child support. The total amount payable under this provision of law cannot exceed 50% of the disposable retired pay. In cases where there is both a division of pay and a garnishment, the total amount payable cannot exceed 65% of the disposable retired pay. You will be notified should a distribution be applied to your retired pay. Any action to rebut the court order or to restrain its execution must be taken through the court that issued it. DFAS is under a legal obligation to enforce the court order and has no authority to modify it in any way. Payment of these monies is not automatic. Former spouses must apply to DFAS to receive this benefit.

Tax Levies

DFAS also must honor tax levies for delinquent taxes issued by the Internal Revenue Service (IRS). As in the case of garnishments, the collection action is mandatory and any rebuttal concerning the levy must be addressed to the IRS.

Levies are continuous and collection will run until the entire amount is either collected or the IRS informs us that DFAS is released from collecting the levy amount.

Survivor Benefit Plan

Enrollment in an annuity plan is a decision that requires careful consideration. If you are considering enrolling in an annuity plan, you should review the:

- advantages and disadvantages
- costs
- beneficiaries eligible for coverage
- limitations on leaving or changing coverage

Advantages and Disadvantages

Advantage: You will leave a guaranteed income to your beneficiary

Eligible beneficiaries under the plan will receive 55 percent of the retiree's elected amount of coverage.

Advantage: SBP benefits are inflation indexed, and coverage and cost are not affected by illness or age

Unlike many private life insurance policies, SBP coverage will not be cancelled or revoked due to any illness you may have or your age. Whether you retire at age 45 or 80, you or your spouse's age or health will never be considered a liability and never impact the cost of the program. In addition, the receipt of survivor benefits will not be affected by Social Security benefits. Finally, the SBP annuity is protected against inflation, increasing each December with a Cost of Living Adjustment based on the Consumer Price Index.

Advantage: You can pay for SBP benefits with a pre-tax payroll deduction

For nearly all retirees, Survivor Benefit Plan premiums are automatically deducted from your gross pay prior to the deduction of federal income tax. This decreases your total taxable income.

Disadvantage: Cost

SBP coverage is supplied at no cost while you are in active service. During your retirement, however, a monthly deduction is taken from your pay to pay for your SBP coverage. This can be as much as, but no more than, 6.5 percent of your gross retired pay.

You might consider the relationship between the cost of the program and its benefits. To earn an even return on your investment, your beneficiary typically must receive payment for seven months for every five years you pay SBP premiums.

Disadvantage: Once you enroll, changing your election is difficult

Although it may seem unnecessary to consider providing for your loved ones until later on in life, please be aware that the decisions you make at retirement regarding your SBP can be difficult to change. For example, if, at retirement, you have an eligible spouse or children and decide not to have them covered under the plan, it will be very difficult to have your current or any future spouse or children covered under the plan in the future.

Enrollment Considerations

As you prepare for retirement, it is very important to seek counseling from your Branch of Service on your options.

First, you should review DD Form 2656: Data for Payment of Retired Personnel.

The DD 2656 offers brief instructions regarding election options and requirements, but you also need to consider other implications. Please make the time to carefully review information about SBP Elections and Eligible Beneficiaries.

When you have made your decisions and are signing Form DD2656, please keep in mind:

- The form must be signed prior to your retirement date
- Your witness must sign the document on the same date as you
- If a spouse's signature is required, it must be on or after the date of your signature, but also before your retirement date
- The notary witnessing the spouse's signature must sign the document on the same date as the spouse

Eligible Beneficiaries

When you apply for retirement, you will be asked to complete a Data for Payment of Retired Personnel form (DD 2656). On that form, you will need to choose a type of beneficiary. The types you may choose from are described below.

Spouse Only, Including Same-Sex Spouses in Some States

The most common election for a retiree to make is for only his or her spouse to be covered based on full retired pay. Cost is calculated at a maximum of 6.5 percent of the elected level of coverage.

If you have an eligible spouse and you choose anything less than full coverage, the spouse's notarized signature must be obtained for the election to be considered valid.

All marriages that are valid in the state where performed will be recognized as valid for SBP purposes. The implementing guidance does not apply to civil unions or domestic partnerships. It is the responsibility of the retiree to provide documentation of existence of valid marriage under applicable state law.

Spouse and Children

With this option, the children covered under the plan must be the children of the spouse that is covered. If you have children and choose not to cover them, you will not be able to change that election later.

An eligible dependent child under the plan must be:

- Your legal child
- Under the age of 18
- If older than 18, enrolled in an accredited college or university
- Unmarried

Children enrolled in higher education are eligible until they reach age 22 or leave school.

Adding eligible children to an SBP election will add to the cost. The additional cost depends on the age of the retiree, spouse and the youngest child.

Former Spouse

Please keep these factors in mind when considering SBP coverage for a former spouse.

1. Former Spouse Election at the Time of Your Retirement

   a) If you have a former spouse when you first retire and become eligible to participate in the SBP, then you may elect former spouse coverage. (Please note different rules apply for reservists, because of their opportunity to participate in Reserve Component SBP when they receive their 20-year letter.)

   b) If you're married when you become eligible to participate in the SBP and have been court-ordered to cover a former spouse, you can do so without your current spouse's signature.

   c) If you're married at the time you become eligible to participate in the SBP, but you want to voluntarily cover your former spouse, DFAS will be required to notify your current spouse of that election.

   d) You may elect coverage for your former spouse at the time of your retirement even if you divorced more than a year before your retirement and becoming eligible to participate in the SBP.

2. Former Spouse Coverage after retirement

   If you've already retired and you want to elect former spouse coverage, or the court has ordered you to do so, you must make a former spouse election within one year of your divorce decree.

3. Your Former Spouse's Right to Request SBP Coverage (aka "Deemed" Election Requests)

   a) If you've been court ordered to elect former spouse SBP, then your former spouse can submit his/her own request to DFAS for former spouse SBP coverage. This is known as a "deemed election request."

   b) Even if you divorced more than a year before retirement, your former spouse can submit a deemed election request, but the request must be submitted within one year of the order requiring former spouse SBP coverage.

   c) If your former spouse submits a proper deemed election request within one year of the court order requiring former spouse SBP coverage, then former spouse SBP coverage will be entered on your account, even if you don't make a former spouse election.

Children Only

If you're married and you choose not to cover your spouse, you must get concurrence from your spouse. If your spouse concurs by signing the form, or if you are unmarried, you can elect to cover your dependent children.

The cost for this option depends on the age of the retiree and the youngest child.

Natural Interest Person (NIP)

If you have no other eligible dependents, you can elect to cover an individual in whom you have a legitimate insurable interest. Examples might be a brother or sister, or a child who is beyond eligibility for child coverage.

Although the annuity benefits of NIP coverage are the same (55 percent of covered pay), the cost (10 percent of your gross pay) is considerably higher than other elections.

Unlike other SBP elections, NIP coverage can be cancelled any time.

A retiree can only elect NIP coverage at retirement.

No Beneficiary

If you do not have any eligible beneficiaries, you are not required to elect coverage at the time of retirement. It is necessary, however, for you to tell us you have no beneficiaries, rather than simply not making an election.

Decline

If you do not consider SBP a worthwhile investment, you may elect not to participate. If you are married and decline to cover your spouse, you must obtain your spouse's notarized signature. In this case, no deductions will be taken from your pay and no benefits will be paid after your death.

Costs

The Survivor Benefit Plan cost depends on the level of coverage you choose. SBP coverage is supplied at no cost while you are in active service. During your retirement, however, a monthly deduction is taken from your pay to pay for your SBP coverage. This can be no more than 6.5 percent of your gross retired pay. Review the coverage levels below.

Coverage Levels

Full

If you elect full coverage, the cost of SBP coverage will be based on your full gross pay. For example, if you receive $1,000 of retired pay each month, and elect full SBP coverage, your monthly cost to cover your spouse under the plan will be $65 each month.

Reduced

You can also elect a lower level of SBP coverage. For example, if you receive $1,000 of retired pay each month, you can elect to have your coverage based only on $700 of your pay. In this case, we would calculate 6.5 percent of $700, and the monthly cost to cover a spouse under SBP would be $45.50. There is, however, a minimum level of coverage required and that the amount is unique to each retiree.

Automatic

If you submit an invalid election at retirement, or none at all, one will be started automatically. The cost of such coverage will be based on gross retired pay and be equal to the cost of a Spouse Only election.

Examples of invalid elections

- Non-receipt of a DD 2656 form
- DD 2656 forms signed and/or submitted after retirement

- Declining coverage, or electing any level of coverage lesser than Full Spouse coverage, without a spouse's concurring, notarized signature

If we find out later on that you have an eligible spouse and children, the children will be retroactively added to the account and the additional cost for children will be deducted from your pay.

Similarly, if we establish an automatic election and learn later that you have no eligible beneficiaries, we will cancel the election and refund any costs paid.

Paying for SBP

There are four methods of paying for your SBP coverage if you elect it:

- Deductions from your retired pay
- Deductions from your VA pay
- Direct remittance
- Paid Up Status

Deductions from your Retired Pay (Normal Payment Method)

The normal method of paying for SBP coverage is by an automatic deduction from your retirement pay. The vast majority of retired members with SBP coverage pay through this means. It is implemented automatically if you elect SBP coverage at the time you retire.

Deductions from your VA Pay

If you have been ruled severely disabled by the Department of Veterans Affairs (VA) and your VA compensation exceeds your retired pay, you don't receive retired pay from DFAS. As a result, we cannot automatically deduct SBP premiums from your monthly pay.

In this case, the best way to pay for your SBP coverage is to have your payments deducted from your VA compensation and forwarded to DFAS Retired and Annuitant Pay by the VA. Thousands of retirees take advantage of this process. If you are interested in taking part, please have the VA help you complete an Authorization for SBP Cost Deduction (DD 2891) and mail or fax it to the Direct Remittance address listed below.

Direct Remittance

Members who cannot or do not choose to have their SBP payments deducted from their retired pay or VA pay must remit SBP premium payments directly to:

Defense Finance and Accounting Service, DFAS-CL
SBP and RSFPP Remittance
P.O. Box 979013
St. Louis, MO 63197-9000

Payments sent to any other location, including Retired and Annuitant Pay offices at DFAS Cleveland, will not be received. Any delinquent amounts carried over into a new billing month will accrue an interest fee calculated at 6 percent Annual Percentage Yield.

Paid Up Status

Beginning Oct. 1, 2008, any retiree who has paid 360 months of SBP premiums and has reached the age of 70 is no longer be required to make monthly payments for their SBP coverage. If you meet these requirements, your SBP election and account will remain active, and benefits to annuitants will be uninterrupted, but there will be no further cost to you. To help you track your status, Retiree Account Statements (RAS) include a "premium counter" indicating the number of months of paid premiums credited to your account.

Updating Your SBP Beneficiary Designations

It is important to notify us as soon as possible when a beneficiary change occurs. Events like divorce or remarriage change the beneficiary status of your account. If you have not notified us of changes like this, you may have an invalid beneficiary designation. In the event of your death, we would be required to spend time identifying and then locating your rightful beneficiary. This would make it difficult or even impossible to process the benefit claim quickly, and might create a financial hardship for your loved ones.

Failing to Update Your SBP Beneficiary Could Have Financial Consequences

Making sure that we are aware of any changes in your beneficiaries will benefit you as well. If you do not inform us of a divorce, you could forfeit a refund of overpaid premiums. DFAS is barred by law from refunding payments retroactively beyond a six-year period. If a retiree divorces a spouse and does not notify us until 10 years after the fact, we will only be able to refund six years of those payments.

How to Update Your SBP Beneficiary Designations

To change or update your SBP beneficiary designation, please complete a Survivor Benefit Plan Election Change Certificate (DD 2656-6).

Legal documents such as marriage certificates, divorce decrees and birth certificates are essential to processing changes of beneficiary or claims under SBP. Forms and legal documents can be faxed or mailed to:

Defense Finance and Accounting Service
U.S. Military Retirement Pay
P.O. Box 7130
London, KY 40742-7130
Fax: 800-469-6559
Please only send copies of documents. Do not send the originals.

Changing or Stopping Your Coverage

The SBP election you make at the time of your retirement is very difficult to change. There are only a few circumstances in which it is possible to change or alter a previously made election. Please review the list below carefully to learn when you can change an SBP election and when you cannot.

To make this change, please complete a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and mail or fax it to DFAS R&A Pay.

Enrolling after Retirement

Some service members choose not to enroll in the SBP plan because they have no eligible beneficiaries at the time of their retirement. Later, through marriage or the birth of a child, they find themselves with eligible beneficiaries and want to change their earlier election.

If this happens to you, you have one year from the date of initial eligibility -- the date of marriage or the birth date of the child -- to declare your wishes to have the beneficiary covered.

To do so, please mail or fax the following items to DFAS Retired and Annuitant Pay within one year of the date of eligibility:

- Survivor Benefit Plan Election Change Certificate (DD 2656-6)
- a copy of any relevant legal document (e.g., marriage certificate or birth certificate)

If you have eligible beneficiaries at the time of your retirement and elect not to have them covered, you will not be able to change that election in the future.

Ending SBP after Retirement

You are free to cancel or terminate your SBP election from the 25th month through the 36th month - or the third year - of your retirement. Please note that this window is an exit only, not an entrance, meaning that it applies only to withdrawing from an unwanted election and does not allow retirees to begin an election that they had earlier declined. As with declining at retirement, spousal concurrence is required.

If you believe you are eligible, please complete a Survivor Benefit Plan Termination Request (DD 2656-2) and mail or fax it to DFAS Retired and Annuitant Pay.

Divorce

A divorce's impact on SBP election depends not only on your wishes, but also on the requirements imposed by the court-ordered divorce decree.

If your divorce decree contains no language mandating you to elect Former Spouse coverage, then you have complete freedom to either have the former spouse removed from the plan or to voluntarily continue the coverage.

If you remove your former spouse from the plan, any premiums deducted beyond the date of divorce will be refunded. If you choose to voluntarily cover your former spouse under the plan, you have until one year after the date of divorce to do so.

If your divorce decree requires you to cover your former spouse, either you or your former spouse must declare your intentions to claim Former Spouse SBP coverage in writing within one year of the date of divorce. To do this, please complete a SBP Election Statement for Former Spouse Coverage (DD 2656-1) and mail or fax it to DFAS Retired and Annuitant Pay.

Death of a Spouse

The death of a spouse covered under the plan results in immediate termination of coverage for that spouse. If the spouse alone was covered, cost will terminate and any premiums paid beyond the date of death will be refunded. If the spouse was covered with children, the election and its costs will change so that only the eligible children are covered.

Remarriage

Changes to your account upon remarriage will depend upon whether you were married at retirement.

If you were married and elected Full Spouse coverage at retirement, you can notify us at any time of your remarriage and a new Full Spouse election will automatically begin effective one year after that marriage date. Spousal concurrence must be obtained to begin coverage at any level lower than the original Spouse election.

If you were married at retirement and elected not to cover your spouse, you cannot ever cover another spouse throughout retirement.

If you were not married at retirement, you must notify us of your intentions to add your spouse to the plan within one year of your marriage. The election will become effective and premium costs will begin to be deducted upon your first anniversary.

To make changes to your spouse election, please complete a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and mail or fax it to DFAS R&A Pay.

Birth of a Child

Upon the birth of a new child, please inform us by supplying us with a copy of the birth certificate.

If you had no children at retirement, we will add the child to the plan and an additional, nominal amount will be added to your monthly premium.

If you did have children at retirement and elected to cover them under the plan, we will add this youngest child and recalculate your cost based on a factor considering your age and the age of this child.

If you had children at retirement and elected not to cover them, any new or existing children will not be covered under the plan throughout your retirement.

Open Season

Only a decision by Congress to initiate a free period of enrollment called an “Open Season” would allow a retiree to begin a new election after retirement. Such periods are rare. The most recent Open Season was in 2005. During this period, everyone who took advantage was required to “buy-in” to the program, meaning they paid an amount equal to the total of all premiums they would have paid if they had enrolled when they first became eligible.

Educate Your Beneficiaries

It's important for your survivors to understand how the Survivor Benefit Plan (SBP) works. Please print this page and share it with your designated beneficiary.

The Nature and Extent of the SBP Benefit

The Survivor Benefit Plan (SBP) provides eligible beneficiaries with a monthly payment known as an annuity. The amount of the benefit is a percentage of your retired pay, and it depends upon whether you choose full or reduced coverage. The recipient of your SBP annuity is referred to as the annuitant.

The Benefit's Duration

The SBP entitlement begins upon your death and ends either when your elected beneficiary becomes ineligible to receive the annuity or when your beneficiary dies.

Reasons Payment May Be Temporarily Stopped

Each year we mail annuitants a Certificate of Eligibility (COE). We use the information we request on that form to determine an annuitant's continued eligibility for monthly payments. If we don't receive the COE by the deadline on the form, we will stop all payments until we receive a properly completed COE. If you have not received a COE from us recently and feel you should have, please call us to request one at 800-321-1080.

Reasons Payment Can Be Permanently Stopped

Annuity payments stop when your beneficiary dies or becomes ineligible to receive the annuity. For example, payments stop for children covered under the SBP annuity when they reach age 18. Payments also stop for spouses covered under SBP if they remarry before age 55.

Continuing Children's Benefits after Age 18

Payments typically stop for children covered under SBP when they reach age 18. However, if that child enrolls in an accredited college or university, the payments will continue until they reach age 22. Each semester, we mail a Child Annuitant's School Certification form to verify the child is still enrolled. If we don't receive the form by the deadline listed, we will stop all payments until we receive a properly completed form. Children who marry before age 22 will no longer be eligible for SBP payments. If you have not received a School Certification recently and feel you should have, please call us to request one at 800-321-1080.

Effects of Remarriage on an Annuity

If the annuitant remarries before age 55, annuity payments will stop. However, if the annuitant's marriage later ends, for any reason, even after age 55, the annuity payment will restart from the date the marriage ends.

SBP and Other Benefits from the Department of Veterans' Affairs (VA)

Dependency and Indemnity Compensation (DIC)

Dependency and Indemnity Compensation (DIC) is an award offered by the VA.

Annuitants cannot receive both SBP and DIC concurrently. When DFAS is informed that an annuitant is eligible to receive DIC from the VA, DFAS will deduct the amount of DIC received from the amount of SBP. For example, if an annuitant receives a monthly annuity of $500 from DFAS and becomes eligible to receive a monthly DIC award of $400 from the VA, DFAS will deduct the $400 DIC from the $500 SBP and pay the remaining $100 to the annuitant.

If the SBP is greater than the DIC award, a partial refund of premiums paid into the program during the service member's retirement will be made. If the DIC payment is greater than the SBP payment, SBP will be stopped completely and all premiums paid into the program during the service member's retirement will be refunded.

To receive concurrent SBP and DIC payments, the annuitant must not only be eligible for both, but the DIC entitlement must be a result of a remarriage after the age of 57.

What initiates the SBP benefit and what will my beneficiary have to do?

Your designated beneficiary becomes eligible to receive SBP benefits on the day after your death. The first step a beneficiary must take to initiate receipt of benefits is to report your death. Please visit the Reporting a Death page for step-by-step instructions.

What happens if there is a delay in reporting a retiree's death?

Late notification of a retiree's death may result in burdensome consequences, including delays in finalizing a member's account, payment of arrears of pay and the establishment of an SBP annuity. A retiree's entitlement to retired pay ends on the date he or she dies. Therefore, delayed reporting of a retiree's death may result in an overpayment that will be collected from a financial institution, the member's estate, or from the annuitant if the annuitant is found to be in receipt of the retired pay funds.

What Happens When You Die

It is extremely important for someone to notify DFAS as soon as possible after you die. Late notification of your death could result in burdensome consequences for your survivors, including delays in finalizing your account, paying your Arrears of Pay (AOP) and establishing a Survivor Benefit Plan (SBP) annuity.

Because your entitlement to retired pay ends on the date of your death, delayed reporting also could result in an overpayment that would be collected from your bank, your estate or one of your survivors, if that survivor receives any of your retired pay funds.

Instructions for Your Beneficiary

Please read the instructions for reporting the death of a military retiree. Print them out and give a copy to your SBP beneficiary.

Once your death has been reported, your beneficiary will receive a Verification for Survivor Annuity form (DD 2656-7) at the address we have on record. Your beneficiary must complete the form and return it to us. When we receive the completed form, we will begin the SBP annuity.

Please review the Applying for SBP instructions, print them out and give a copy to your SBP beneficiary.

More information for your SBP beneficiary and other loved ones is available on the Survivors and Beneficiaries pages.

Transition Assistance

Joint Transition Assistance

The Departments of Veterans Affairs, Defense, and Labor re-launched a new and improved Website for wounded warriors – the National Resource Directory (NRD). This directory (https://www.ebenefits.va.gov/ebenefits/nrd) provides access to thousands of services and resources at the national, state and local levels to support recovery, rehabilitation and community reintegration. The NRD is a comprehensive online tool available nationwide for wounded, ill and injured Servicemembers, Veterans and their families.

The NRD includes extensive information for Veterans seeking resources on VA benefits such as disability benefits, pensions for Veterans and their families, VA health care insurance and the GI Bill. The NRD's design and interface is simple, easy-to-navigate and intended to answer the needs of a broad audience of users within the military, Veteran and Caregiver communities.

Transition from Military to VA

VA has personnel stationed at major military hospitals to help seriously injured Servicemembers returning from Operations Enduring Freedom, Iraqi Freedom, and New Dawn (OEF/OIF/OND) as they transition from military to civilian life. OEF/OIF Servicemembers who have questions about VA benefits or need assistance in filing a VA claim or accessing services can contact the nearest VA office or call 1-800-827-1000.

eBenefits

The eBenefits portal (www.ebenefits.va.gov) provides Servicemembers, Veterans, their families, and Caregivers with self-service access to benefit applications, benefits information, and access to personal information such as official military personnel file documents. The portal provides two main services; it catalogs links to information on other Websites about military and Veterans benefits, and it provides a personalized workspace called My eBenefits, which gives quick access to all the online tools currently integrated into eBenefits.

Transition Assistance Program

The Transition Assistance Program (TAP) consists of comprehensive three-day workshops at military installations designed to help service members as they transition from military to civilian life. The program includes job search, employment and training information, as well as VA benefits information, to service members who are within 12 months of separation or 24 months of retirement.

A companion workshop, the Disabled Transition Assistance Program, provides information on VA's Vocational Rehabilitation and Employment Program, as well as other programs for the disabled.

Additional information about these programs is available at http://www.dol.gov/vets/programs/tap/tap_fs.htm.

The inTransition

Servicemembers and Veterans may receive assistance from the inTransition Program when they are receiving mental health treatment and are making transitions from military service, location or a health care system. This program provides access to transitional support, motivation and healthy lifestyle assistance and advice from qualified coaches through a toll-free telephone number: 1-800-424-7877. For more information about 'The inTransition Program', please log onto www.health.mil/inTransition.

Pre-Discharge Program

The Pre-Discharge Program is a joint VA and DoD program that affords Servicemembers the opportunity to file claims for disability compensation and other benefits up to 180 days prior to separation or retirement. Included in the Pre-Discharge program is the Integrated Disability Evaluation System (IDES)

The two primary components of the Pre-Discharge Program, Benefits Delivery at Discharge (BDD) and Quick Start, may be utilized by separating and retiring Servicemembers on active duty, including members of the Coast Guard, and members of the National Guard and Reserves (activated under Titles 10 or 32) in CONUS and some overseas locations. BDD is offered to accelerate receipt of VA disability benefits, with a goal of providing benefits within 60 days after release or discharge from active duty.

To participate in the BDD program, Servicemembers must:

1. Have at least 60 days, but not more than 180 days, remaining on active duty.
2. Have a known date of separation or retirement.
3. Provide VA with service treatment records, originals or photocopies.
4. Be available to complete all necessary examinations prior to leaving the point of separation.

Quick Start is offered to Servicemembers who have less than 60 days remaining on active duty or are unable to complete the necessary examinations prior to leaving the point of separation.

1. To participate in the Quick Start Program, Servicemembers must:
2. Have at least one day remaining on active duty.
3. Have a known date of separation or retirement.
4. Provide VA with service treatment records, originals or photocopies.

Servicemembers should contact the local Transition Assistance Office or Army Career Alumni Program Center to schedule appointments to attend VA benefits briefings and learn how to initiate a pre-discharge claim. Servicemembers can obtain more information by calling VA toll-free at 1-800-827-1000 or by visiting www.vba.va.gov/predischarg.

Integrated Disability Evaluation System (IDES)

A third component of the Pre-Discharge program is the Integrated Disability Evaluation System. The IDES program covers Servicemembers who are referred to Medical Evaluation Boards. The IDES program has three goals:

1. a single disability exam conducted to VA standards that will be used by both Departments;
2. a single disability rating completed by VA that is binding upon both Departments; and
3. expeditious payment of VA benefits within 30 days of a Servicemember's separation from service.

VA Form 21-0819, VA/DoD Joint Disability Evaluation Board Claim, is completed by the Military Treatment Facility when a Servicemember is referred to IDES.

Federal Recovery Coordination Program

The Federal Recovery Coordination Program, a joint program of DOD and VA, helps coordinate and access federal, state and local programs, benefits and services for seriously wounded, ill, and injured Servicemembers, and their families through recovery, rehabilitation, and reintegration into the community.

Federal Recovery Coordinators (FRCs) have the delegated authority for oversight and coordination of the clinical and non-clinical care identified in each client's Federal Individual Recovery Plan (FIRP). Working with a variety of case managers; FRC's assist their clients in reaching their FIRP goals. FRC's remain with their clients as long as they are needed regardless of the client's location, duty or health status. In doing so, they often serve as the central point of contact and provide transition support for their clients.

Pre-separation Counseling

Service members may receive pre-separation counseling 24 months prior to retirement or 12 months prior to separation from active duty. These sessions present information on education, training, employment assistance, National Guard and reserve programs, medical benefits and financial assistance.

Verification of Military Experience and Training

The Verification of Military Experience and Training (VMET) Document, DD Form 2586, helps service members verify previous experience and training to potential employers, negotiate credits at schools and obtain certificates or licenses. VMET documents are available only through Army, Navy, Air Force and Marine Corps Transition Support offices and are intended for service members who have at least six months of active service. Service members should obtain VMET documents from their Transition Support office within 12 months of separation or 24 months of retirement.

Transition Bulletin Board (TBB)

To find business opportunities, a calendar of transition seminars, job fairs, information on veterans associations, transition services, training and education opportunities, as well as other announcements, visit the Web site at https://www.ebenefits.va.gov/ebenefits/jobs .

DoD Transportal

To find locations and phone numbers of all Transition Assistance Offices as well as mini-courses on conducting successful job search campaigns, writing resumes, using the Internet to find a job, and links to job search and recruiting Web sites, visit the DOD Transportal at http://www.veteranprograms.com/id105.html.

Educational and Vocational Counseling Services Provide Direction to Veterans

The Vocational Rehabilitation and Employment (VR&E) Program provides educational and vocational counseling to Servicemembers, Veterans, and certain dependents (U.S.C. Title 38, Section 3697) at no charge. These counseling services are designed to help an individual choose a vocational direction, determine the course needed to achieve the chosen goal, and evaluate the career possibilities open to them.

Assistance may include interest and aptitude testing, occupational exploration, setting occupational goals, locating the right type of training program, and exploring educational or training facilities which can be utilized to achieve an occupational goal.

Counseling services include, but are not limited to, educational and vocational counseling and guidance; testing; analysis of and recommendations to improve job-marketing skills; identification of employment, training, and financial aid resources; and referrals to other agencies providing these services.

Eligibility: Educational and vocational counseling services are available during the period the individual is on active duty with the armed forces and within 180 days of the estimated date of his or her discharge or release from active duty. The projected discharge must be under conditions other than dishonorable.

Servicemembers are eligible even if they are only considering whether or not they will continue as members of the armed forces. Veterans are eligible if not more than one year has elapsed since the date they were last discharged or released from active duty. Individuals who are eligible for VA education benefits may receive educational and vocational counseling at any time during their eligibility period. This service is based on having eligibility for a VA program such as Chapter 30 (Montgomery GI Bill); Chapter 31 (Vocational Rehabilitation and Employment); Chapter 32 (Veterans Education Assistance Program – VEAP); Chapter 33 (Post-9/11 GI Bill); Chapter 35 (Dependents' Educational Assistance Program) for certain spouses and dependent children; Chapter 18 (Spina Bifida Program) for certain dependent children; and Chapter 1606 and 1607 of Title 10.

Veterans and Servicemembers may apply for counseling services using VA Form 28-8832, Application for Counseling. Veterans and Servicemembers may also write a letter expressing a desire for counseling services.

Upon receipt of either type of request for counseling from an eligible individual, an appointment for counseling will be scheduled. Counseling services are provided to eligible persons at no charge.

Veterans' Workforce Investment Program

Recently separated veterans and those with service-connected disabilities, significant barriers to employment or who served on active duty during a period in which a campaign or expedition badge was authorized can contact the nearest state employment office for employment help through the Veterans' Workforce Investment Program. The program may be conducted through state or local public agencies, community organizations or private, nonprofit organizations.

State Employment Services

Veterans can find employment information, education and training opportunities, job counseling, job search workshops, and resume preparation assistance at state Workforce Career or One-Stop Centers. These offices also have specialists to help disabled veterans find employment.

Unemployment Compensation

Veterans who do not begin civilian employment immediately after leaving military service may receive weekly unemployment compensation for a limited period of time. The amount and duration of payments are determined by individual states. Apply by contacting the nearest state employment office listed in your local telephone directory.

Federal Jobs for Veterans

Since the time of the Civil War, veterans of the U.S. armed forces have been given some degree of preference in appointments to federal jobs. Veterans' preference in its present form comes from the Veterans' Preference Act of 1944, as amended, and now codified in various provisions of Title 5, United States Code. By law, veterans who are disabled or who served on active duty in the U.S. armed forces during certain specified time periods or in military campaigns are

entitled to preference over others when hiring from competitive lists of eligible candidates, and also in retention during a reduction in force (RIF).

To receive preference, a veteran must have been discharged or released from active duty in the U.S. armed forces under honorable conditions (with an honorable or general discharge). Preference is also provided for certain widows and widowers of deceased veterans who died in service; spouses of service-connected disabled veterans; and mothers of veterans who died under honorable conditions on active duty or have permanent and total service-connected disabilities. This type of preference is referred to as "derived preference" because it is based on service of a veteran who is not able to use the preference. For each of these preferences, there are specific criteria that must be met in order to be eligible to receive the veterans' preference.

Recent changes in Title 5 clarify veterans' preference eligibility criteria for National Guard and Reserve service members. Veterans eligible for preference now include National Guard and Reserve service members who served on active duty as defined by Title 38 at any time in the armed forces for a period of more than 180 consecutive days, any part of which occurred during the period beginning on Sept. 11, 2001, and ending on the date prescribed by Presidential proclamation or by law as the last date of OIF. The National Guard and Reserve service members must have been discharged or released from active duty in the armed forces under honorable conditions. These changes were effective Jan. 6, 2006.

Another recent change involves Veterans who earned the Global War on Terrorism Expeditionary Medal for service in OEF/OIF/OND. Under Title 5, service on active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized also qualifies for Veterans' preference. Any Armed Forces Expeditionary medal or campaign badge qualifies for preference. Medal holders must have served continuously for 24 months or the full period called or ordered to active duty.

As of December 2005, Veterans who received the Global War on Terrorism Expeditionary Medal are entitled to Veterans' preference if otherwise eligible. For additional information, visit the Office of Personnel Management (OPM) Website at www.fedshirevets.gov/.

Veterans' preference does not require an agency to use any particular appointment process. Agencies can pick candidates from a number of different special hiring authorities or through a variety of different sources. For example, the agency can reinstate a former federal employee, transfer someone from another agency, reassign someone from within the agency, make a selection under merit promotion procedures or through open, competitive exams, or appoint someone noncompetitively under special authority such as a Veterans Readjustment Appointment or special authority for 30 percent or more disabled Veterans. The decision on which hiring authority the agency desires to use rests solely with the agency.

When applying for federal jobs, eligible Veterans should claim preference on their application or resume. Veterans should apply for a federal job by contacting the personnel office at the agency in which they wish to work. For more information, visit https://www.usajobs.gov/ for job openings or help creating a federal resume.

Veterans' Employment Opportunities Act: When an agency accepts applications from outside its own workforce, the Veterans' Employment Opportunities Act of 1998 allows preference eligible candidates or Veterans to compete for these vacancies under merit promotion procedures.

Veterans who are selected are given career or career-conditional appointments. Veterans are those who have been separated under honorable conditions from the U.S. armed forces with three or more years of continuous active service. For more information visit: www.usajobs.gov or www.fedshirevets.gov/.

Veterans' Recruitment Appointment: Allows federal agencies to appoint eligible Veterans to jobs without competition. These appointments can be converted to career or career-conditional positions after two years of satisfactory work. Veterans should apply directly to the agency where they wish to work. For more information visit: www.fedshirevets.gov/.

Starting a Business

VA's Center for Veterans Enterprise helps veterans interested in forming or expanding small businesses and helps VA contracting offices identify veteran-owned small businesses. For information, write the U.S. Department of Veterans Affairs (OOVE), 810 Vermont Avenue, N.W., Washington, DC 20420-0001, call toll-free 1-800-949-8387, 202-461-4300, or learn more at http://www.va.gov/osdbu/ .

Small Business Contracts: Like other federal agencies, VA is required to place a portion of its contracts and purchases with small and disadvantaged businesses. Any VA has a special office to help small and disadvantaged businesses get information on VA acquisition opportunities. Service-Disabled Veteran-Owned Small Businesses and Veteran-Owned Small Businesses who want to participate in the VA's Veterans First Contracting Program must be verified in order to be eligible for VA contract set-asides. Visit http://www.vetbiz.gov for details.

VOW to Hire Heroes Act

The "VOW to Hire Heroes Act" aims to lower the rate of unemployment among Veterans. Below is a summary of the provisions.

Improving the Transition Assistance Program (TAP)

The Act will make TAP mandatory for most Servicemembers transitioning to civilian status, upgrade career counseling options, and tailor the program for the 21st Century job market.

Facilitating Seamless Transition

The Act will allow Servicemembers to begin the federal employment process prior to separation in order to facilitate a truly seamless transition from the military to jobs at VA, Department of Homeland Security, or the many other federal agencies in need of our Veterans.

Expanding Education & Training

The VOW to Hire Heroes Act provides nearly 100,000 unemployed Veterans of past eras and wars with up to one year of assistance (equal to the full-time payment rate under the Montgomery GI Bill-Active Duty program) to qualify for jobs in high-demand sectors. It also provides disabled Veterans up to one year of additional Vocational Rehabilitation and Employment benefits.

Translating Military Skills and Training

The Act requires the Department of Labor to take a hard look at military skills and training equivalencies that are transferrable to the civilian sector and work to make it easier to get licenses and certifications.

Veterans Tax Credits

The Act provides tax credits for hiring Veterans and disabled Veterans who are out of work.

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VA Pensions

Eligibility for Disability Pension

Veterans with low incomes who are permanently and totally disabled, or are age 65 and older, may be eligible for monetary support if they have 90 days or more of active military service, at least one day of which was during a period of war. (Veterans, who entered active duty on or after Sept. 8, 1980 or officers who entered active duty on or after Oct. 16, 1981, may have to meet a longer minimum period of active duty.) The veteran's discharge must have been under conditions other than dishonorable and the disability must be for reasons other than the veteran's own willful misconduct.

Payments are made to bring the veteran's total income, including other retirement or Social Security income, to a level set by Congress. Un-reimbursed medical expenses may reduce countable income for VA purposes.

Improved Disability Pension

Congress establishes the maximum annual pension rates. Payments are reduced by the amount of countable income of the veteran, spouse or dependent children. When a veteran without a spouse or a child is furnished nursing home or domiciliary care by VA, the pension is reduced to an amount not to exceed $90 per month after three calendar months of care. The reduction may be delayed if nursing-home care is being continued to provide the veteran with rehabilitation services. For current rates, visit: http://www.benefits.va.gov/pension/current_rates_veteran_pen.asp.

Protected Pension Programs

Pension beneficiaries who were receiving a VA pension on Dec. 31, 1978, and do not wish to elect the Improved Pension will continue to receive the pension rate they were receiving on that date. This rate generally continues as long as the beneficiary's income remains within established limits, his or her net worth does not bar payment, and the beneficiary does not lose any dependents. These beneficiaries must continue to meet basic eligibility factors, such as permanent and total disability for veterans, or status as a surviving spouse or child. VA must adjust rates for other reasons, such as a veteran's hospitalization in a VA facility.

Medal of Honor Pension

VA administers special pensions to recipients of the Medal of Honor. Congress set the monthly pension at $1,299.61 effective Dec. 1, 2015. http://www.benefits.va.gov/compensation/special_Benefit_Allowances_2015.asp.

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VA Life Insurance

For complete details on government life insurance, visit the VA Internet site: http://www.insurance.va.gov/ or call toll-free 1-800-669-8477. Specialists are available between the hours of 8:30 a.m. and 6 p.m., Eastern Time, to discuss premium payments, insurance dividends, address changes, policy loans, naming beneficiaries and reporting the death of the insured.

If the insurance policy number is not known, send whatever information is available, such as the veteran's VA file number, date of birth, Social Security number, military serial number or military service branch and dates of service to:

Department of Veterans Affairs
Regional Office and Insurance Center
Box 42954
Philadelphia, PA 19101

For information about Servicemembers' Group Life Insurance, Veterans Group Life Insurance, Servicemembers' Group Life Insurance Traumatic Injury Protection, or Servicemembers' Group Life Insurance Family Coverage, visit the Website above or call the Office of Servicemembers' Group Life Insurance directly at 1-800-419-1473.

Service Members' Group Life Insurance (SGLI)

The following are automatically insured for $400,000 under SGLI:

1. Active-duty members of the Army, Navy, Air Force, Marines and Coast Guard.
2. Commissioned members of the National Oceanic and Atmospheric Administration and the Public Health Service.
3. Cadets or midshipmen of the military academies.
4. Members, cadets and midshipmen of the ROTC while engaged in authorized training.
5. Members of the Ready Reserves who are scheduled to perform at least 12 periods of inactive training per year.
6. Members who volunteer for assignment to a mobilization category in the Individual Ready Reserve.

Individuals may elect to be covered for a lesser amount or not at all. Part-time coverage may be provided to reservists who do not qualify for full-time coverage. Premiums are automatically deducted from the service members' pay. At the time of separation from service, SGLI can be converted to either Veterans' Group Life Insurance (VGLI) or a commercial plan through participating companies. SGLI coverage continues for 120 days after separation at no charge.

Coverage of $10,000 is also automatically provided for dependent children of members insured under SGLI with no premium required. For this program, VA recognizes marriages based on the law of the place where the marriage occurred. http://www.va.gov/opa/marriage/

Traumatic Service Members' Group Life Insurance

Members of the armed services serve our nation heroically during times of great need, but what happens when they experience great needs of their own because they have sustained a traumatic injury? Traumatic Service members' Group Life Insurance (TSGLI) helps severely injured service members through their time of need with a one-time payment. The amount varies depending on the injury, but it could be the difference that allows their families to be with them during their recovery; helps them with unforeseen expenses; or gives them a financial head start on life after recovery.

TSGLI is an insurance program that is bundled with Service members' Group Life Insurance (SGLI) and an additional $1.00 has been added to the service member's SGLI premium to cover TSGLI. After Dec. 1, 2005, all service members who are covered by SGLI are eligible for TSGLI coverage, regardless of where their qualifying traumatic injury occurred. However, TSGLI claims require approval.

In addition, there is retroactive TSGLI coverage for servicemembers who sustained a qualifying traumatic injury while in theater supporting Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), or while on orders in a Combat Zone Tax Exclusion (CZTE) area from Oct. 7, 2001, through Nov. 30, 2005. TSGLI coverage is available for these servicemembers regardless of whether SGLI coverage was in force. Beginning on Oct. 1, 2011, TSGLI benefits can be paid for qualifying traumatic injuries incurred during this period, regardless of where the injury occurred. The member is not required to have served under OEF/OIF orders to be eligible for a TSGLI payment.

For more information, and branch of service contact information, visit http://benefits.va.gov/insurance/tsgli.asp, or call 1-800-237-1336 (Army); 1-800-368-3202 (Navy); 1-877-216-0825 (Marine Corps); 1-800-433-0048 (Active Duty Air Force); 1-800-525-0102 (Air Force Reserves); 1-703-607-5093 (Air National Guard); 1-202-493-1931 (U.S. Coast Guard); 1-301-594-2963 (PHS); or 1-301-713-3444 (NOAA).

Family Service Members' Group Life Insurance (FSGLI)

FSGLI provides up to $100,000 of life insurance coverage for spouses of servicemembers with full-time SGLI coverage, not to exceed the amount of SGLI the member has in force. FSGLI is a servicemembers' benefit; the member pays the premium and is the only person allowed to be the beneficiary of the coverage. FSGLI spousal coverage ends when: 1) the servicemember elects in writing to terminate coverage on the spouse; 2) the servicemember elects to terminate his or her own SGLI coverage; 3) the servicemember dies; 4) the servicemember separates from service; or 5) the servicemember divorces the spouse. The insured spouse may convert his or her FSGLI coverage to a policy offered by participating private insurers within 120 days of the date of any of the termination events noted above. For this program, VA recognizes marriages based on the law of the place where the marriage occurred. http://www.va.gov/opa/marriage/.

Veterans' Group Life Insurance

SGLI may be converted to Veterans' Group Life Insurance (VGLI), which provides renewable term coverage to:

1. Veterans with full-time SGLI coverage upon release from active duty or the reserves.
2. Members of the Ready Reserves/National Guard with part-time SGLI coverage who incur a disability or aggravate a pre-existing disability during a period of active duty or a period of inactive duty for less than 31 days that renders them uninsurable at standard premium rates.
3. Members of the Individual Ready Reserve and Inactive National Guard.

SGLI can be converted to VGLI up to the amount of coverage the servicemember had when separated from service. Veterans who submit an application and the initial premium within 120 days of leaving the service will be covered regardless of their health. Veterans who don't apply within this period can still convert to VGLI if they submit an application, pay the initial premium, and show evidence of insurability within one year after the end of the 120-day period. For this program, VA recognizes marriages based on the law of the place where the marriage occurred. http://www.va.gov/opa/marriage/.

Beginning on Oct. 1, 2011, current VGLI policyholders who are under the age of 60 and are not insured by the maximum amount of VGLI as prescribed by law have an opportunity to increase their VGLI coverage by $25,000, once every five years.

Servicemembers who are totally disabled at the time of separation are eligible for free SGLI Disability Extension of up to two years. They must apply to the Office of Servicemembers' Group Life Insurance (OSGLI) at 80 Livingston Ave., Roseland, N.J., 07068-1733.

Those covered under the SGLI Disability Extension are automatically converted to VGLI at the end of their extension period. VGLI is convertible at any time to a permanent plan policy with any participating commercial insurance company.

Accelerated Death Benefits

SGLI, FSGLI and VGLI policyholders who are terminally ill (prognosis of nine months or less to live) have a one-time option of requesting up to 50 percent of their coverage amount (in increments of $5,000) paid in advance. Only the insured member may apply for an Accelerated Benefit. No one else can apply on the member's behalf.

Service-Disabled Veterans' Insurance

A Veteran who was discharged under other than dishonorable conditions and who has a service-connected disability but is otherwise in good health may apply to VA for up to $10,000 in life insurance coverage under the Service-Disabled Veterans' Insurance (S-DVI) program. Applications must be submitted within two years from the date of being notified of the approval of a new service-connected disability by VA. This insurance is limited to Veterans who left service on or after April 25, 1951.

Veterans who are totally disabled may apply for a waiver of premiums and additional supplemental insurance coverage of up to $20,000. Effective Oct. 1, 2011, the supplemental insurance coverage increased to $30,000. However, premiums cannot be waived on the additional supplemental insurance.

To be eligible for this type of supplemental insurance, veterans must meet all of the following four requirements:

1. Be under age 65.
2. Meet the requirements for total disability.
3. Apply for additional insurance within one year from the date of notification of waiver approval on the S-DVI policy.

Veterans' Mortgage Life Insurance

VMLI is mortgage protection insurance available to severely disabled Veterans who have been approved by VA for a Specially Adapted Housing Grant (SAH). Maximum coverage is the amount of the existing mortgage up to $200,000.

Protection is issued automatically following SAH approval, provided the Veteran submits information required to establish a premium and does not decline coverage. Coverage automatically terminates when the mortgage is paid off. If a mortgage is disposed of through sale of the property, VMLI may be obtained on the mortgage of another home.

Insurance Dividends

World War II and Korean-era Veterans with active policies beginning with the letters V, RS, W, J, JR, JS, or K are issued tax-free dividends annually on the policy anniversary date. (Policies prefixed by RH do not earn dividends.) Policyholders do not need to apply for dividends, but may select from among the following dividend options:

1. **Cash:** The dividend is paid directly to the insured either by a mailed check or by direct deposit.
2. **Paid-Up Additional Insurance:** The dividend is used to purchase additional insurance coverage.
3. **Credit or Deposit:** The dividend is held in an account for the policyholder with interest. Withdrawals from the account can be made at any time. The interest rate may be adjusted each year.
4. **Net Premium Billing Options:** These options use the dividend to pay the annual policy premium. If the dividend exceeds the premium, the policyholder has options to choose how the remainder is used. If the dividend is not enough to pay an annual premium, the policyholder is billed for the balance.
5. **Dividend Options:** Dividends can also be used to repay a loan or pay premiums in advance.

Other Insurance Information

The following information applies to policies issued to World War II, Korean, and Vietnam-era veterans and any Service-Disabled Veterans Insurance policies. Policies in this group are prefixed by the letters K, V, RS, W-J, JR, JS, or RH.

Reinstating Lapsed Insurance: Lapsed term policies may be reinstated within five years from the date of lapse. A five-year term policy that is not lapsed at the end of the term is automatically renewed for an additional five years. Lapsed permanent plans may be reinstated within certain time limits and with certain health requirements. Reinstated permanent plan policies require repayment of all back premiums, plus interest.

Converting Term Policies: Term policies are renewed automatically every five years, with premiums increasing at each renewal. Premiums do not increase after age 70. Term policies may be converted to permanent plans, which have fixed premiums for life and earn cash and loan values.

Paid-up Insurance Available on Term Policies: Effective September 2000, VA provides paid-up insurance on term policies whose premiums have been capped. Veterans who have National Service Life Insurance (NSLI) term insurance (renewal age 71 or older) and stop paying premiums on their policies will be given a termination dividend. This dividend will be used to purchase a reduced amount of paid-up insurance, which insures the veteran for life and no premium payments are required. The amount of insurance remains level. This does not apply to S-DVI (RH) policies.

Disability Provisions: National Service Life Insurance (NSLI) policyholders who become totally disabled before age 65 should ask VA about premium waivers.

Borrowing on Policies: Policyholders with permanent plan policies may borrow up to 94 percent of the cash surrender value of their insurance. Interest is compounded annually. The loan interest rate is variable and may be obtained by calling toll-free 1-800-669-8477.

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VA Health Care

VA operates the nation's largest integrated health care system with more than 1,400 sites of care, including hospitals, community clinics, nursing homes, domiciliaries, readjustment counseling centers, and various other facilities.

Enrollment

For most veterans, entry into the VA health care system begins by applying for enrollment. To apply, complete VA Form 10-10EZ, Application for Health Benefits, which may be obtained from any VA health care facility or regional benefits office, online at https://www.1010ez.med.va.gov/sec/vha/1010ez/ or by calling 1-877-222-VETS (8387). Once enrolled, veterans can receive services at VA facilities anywhere in the country.

Veterans who are enrolled for VA health care are afforded privacy rights under federal law. VA's Notice of Privacy Practices is available at the VA health care Web site listed above.

The following four categories of veterans are not required to enroll, but are urged to do so to permit better planning of health resources:

1. Veterans with a service-connected disability of 50 percent or more.
2. Veterans seeking care for a disability the military determined was incurred or aggravated in the line of duty, but which VA has not yet rated, within 12 months of discharge.
3. Veterans seeking care for a service-connected disability only.
4. Veterans seeking registry examinations (Ionizing Radiation, Agent Orange, Gulf War/Operation Iraqi Freedom and Depleted Uranium).

Priority Groups

During enrollment, veterans are assigned to priority groups VA uses to balance demand with resources. Changes in available resources may reduce the number of priority groups VA can enroll. If this occurs, VA will publicize the changes and notify affected enrollees. Below are descriptions of the VA priority groups:

Group 1: Veterans with service-connected disabilities rated 50 percent or more and/or veterans determined by VA to be unemployable due to service-connected conditions.

Group 2: Veterans with service-connected disabilities rated 30 or 40 percent.

Group 3: Veterans with service-connected disabilities rated 10 and 20 percent, veterans who are former Prisoners of War (POW) or were awarded a Purple Heart, veterans awarded special eligibility for disabilities incurred in treatment or participation in a VA Vocational Rehabilitation program, and veterans whose discharge was for a disability incurred or aggravated in the line of duty.

Group 4: Veterans receiving increased compensation or pension based on their need for regular Aid and Attendance or by reason of being permanently Housebound. Veterans determined by VA to be catastrophically disabled.

Group 5: Veterans receiving VA pension benefits or eligible for Medicaid programs, and non service-connected veterans and non compensable, zero percent service-connected veterans whose gross annual household income and net worth are below the established VA means test thresholds.

Group 6: Veterans of World War I; veterans seeking care solely for certain conditions associated with exposure to ionizing radiation during atmospheric testing or during the occupation of Hiroshima and Nagasaki; for any illness associated with participation in tests conducted by the Department of Defense (DoD) as part of Project 112/Project SHAD; veterans with zero percent service-connected disabilities who are receiving disability compensation benefits; veterans who served in the republic of Vietnam between 1962 and 1975; veterans of the Persian Gulf War that served between August 2, 1990 and November 11, 1998 and veterans who served in a theater of combat operations after Nov. 11, 1998 as follows:

Veterans discharged from active duty on or after Jan. 28, 2003, who were enrolled as of Jan. 28, 2008 and veterans who apply for enrollment after Jan. 28, 2008, for 5 years post discharge

Group 7: Veterans with gross household income below the geographically-adjusted income threshold (GMT) for their resident location and who agree to pay co-pays.

Group 8: Veterans, enrolled as of January 16, 2003, with gross household income and/or net worth above the VA national income threshold and the geographically-adjusted income threshold for their resident location and who agree to pay co-pays.

Note: Due to income relaxation rules implemented on June 15, 2009 Veterans with household income above the VA national threshold or the GMT income threshold for their resident location by 10 percent or less, who agree to pay co-pays, are eligible for enrollment in Priority Group 8.

Special Access to Care

Service Disabled Veterans: Veterans who are 50 percent or more disabled from service-connected conditions, unemployable due to service-connected conditions, or receiving care for a service-connected disability receive priority in scheduling of hospital or outpatient medical appointments.

Combat Veterans: Effective Jan. 28, 2008, veterans discharged from active duty on or after Jan. 28, 2003, are eligible for enhanced enrollment placement into Priority Group 6 (unless eligible for higher enrollment Priority Group placement) for 5 years post discharge.

Veterans, including activated reservists and members of the National Guard, are eligible if they served on active duty in a theater of combat operations after Nov. 11, 1998, and, have been discharged under other than dishonorable conditions.

Veterans who enroll with VA under this “Combat Veteran” authority will retain enrollment eligibility even after their five-year post discharge period ends. At the end of their post discharge period, VA will reassess the veteran’s information (including all applicable eligibility factors) and make a new enrollment decision. For additional information, call 1-877-222-VETS (8387), Monday through Friday between 8:00 a.m. and 8:00 p.m. EST.

Financial Information

Financial Assessment

Most veterans not receiving VA disability compensation or pension payments must provide information on their gross annual household income and net worth to determine whether they are below the annually adjusted financial thresholds. VA is currently not enrolling new applicants who decline to provide financial information unless they have a special eligibility factor exempting them from disclosure. VA's income thresholds are located at: www.va.gov/healthbenefits/cost/income_thresholds.asp.

This financial assessment includes all household income and net worth, including Social Security, retirement pay, unemployment insurance, interest and dividends, workers' compensation, black lung benefits and any other income. Also considered are assets such as the market value of property that is not the primary residence, stocks, bonds, notes, individual retirement accounts, bank deposits, savings accounts and cash.

VA also compares veterans' financial assessment with geographically based income thresholds. If the veteran's gross annual household income is above VA's national means test threshold and below VA's geographic means test threshold, or is below both the VA national threshold and the VA geographically based threshold, but their gross annual household income plus net worth exceeds VA's ceiling (currently $80,000) the veteran is eligible for an 80-percent reduction in inpatient co-pay rates.

Services Requiring Co-pays

Some veterans must make co-pays to receive VA health care. For current rates visit: http://www.va.gov/healthbenefits/cost/copays.asp.

NOTE: Co-pays apply to prescription and over-the-counter medications, such as aspirin, cough syrup or vitamins, dispensed by a VA pharmacy. However, veterans may prefer to purchase over-the-counter drugs, such as aspirin or vitamins, at a local pharmacy rather than making the co-pay. Co-pays are not charged for medications injected during the course of treatment or for medical supplies, such as syringes or alcohol wipes.

Outpatient Care: A three-tiered co-pay system is used for all outpatient services. The co-pay is $15 for a primary care visit and $50 for some specialized care. Certain services do not require a co-pay.

Outpatient Visits Not Requiring Co-pays

Co-pays do not apply to publicly announced VA health fairs or outpatient visits solely for preventive screening and/or immunizations, such as immunizations for influenza and pneumococcal, or screening for hypertension, hepatitis C, tobacco, alcohol, hyperlipidemia, breast cancer, cervical cancer, colorectal cancer by fecal occult blood testing, education about the risks and benefits of prostate cancer screening and smoking cessation counseling (individual or group). Laboratory, flat film radiology, and electrocardiograms are also exempt from co-pays. While hepatitis C screening and HIV testing and counseling are exempt, medical care for HIV and hepatitis C are NOT exempt from co-pays.

Billing Insurance Companies

VA is required to bill private health insurance providers for medical care, supplies and prescriptions provided for non service-connected conditions. Generally, VA cannot bill Medicare, but can bill Medicare supplemental health insurance for covered services.

All veterans applying for VA medical care are required to provide information on their health insurance coverage, including coverage provided under policies of their spouses. Veterans are not responsible for paying any remaining balance of VA's insurance claim not paid or covered by their health insurance, and any payment received by VA may be used to offset "dollar for dollar" a veteran's VA co-pay responsibility.

Travel Costs

Certain veterans may be reimbursed for travel costs to receive VA medical care. Reimbursement is paid at 41.5 cents per mile -and is subject to a deductible of $3 for each one-way trip and $6 for a round trip; with a maximum deductible of $18 per calendar month. Two exceptions to the deductible are travel for C&P exam and special modes of transportation, such as an ambulance or a specially equipped van. These deductibles may be waived when their imposition would cause a severe financial hardship.

Eligibility: Payments may be made to the following:

- Veterans rated 30% or more SC for travel relating to any condition
- Veterans rated less than 30% for travel relating to their SC condition
- Veterans receiving VA pension benefits for all conditions
- Veterans with annual income below the maximum applicable annual rate of pension for all conditions
- Veterans who can present clear evidence that they are unable to defray the cost of travel
- Veterans traveling in relation to a Compensation and Pension (C&P) Examination
- Certain veterans in certain emergency situations
- Certain non-veterans when related to care of a veteran (attendants & donors)
- Beneficiaries of other Federal Agencies (when authorized by that agency)
- Allied Beneficiaries (when authorized by appropriate foreign government agency)

VA Medical Programs

Veteran Health Registries

Certain veterans can participate in a VA health registry and receive free medical examinations, including laboratory and other diagnostic tests deemed necessary by an examining clinician. VA maintains health registries to provide special health examinations and health-related information. To participate, contact the Environmental Health (EH) Coordinator at the nearest VA health care facility or visit www.publichealth.va.gov/exposures, where a directory of EH Coordinators is maintained.

Gulf War Registry: For Veterans who served on active military duty in Southwest Asia during the Gulf War, which began in 1990 and continues to the present, including Operation Iraqi Freedom (OIF). The Gulf War registry was established after the first Gulf War to identify possible diseases resulting from U.S. military personnel service in certain areas of Southwest Asia. These diseases were endemic to the area or may have been due to hazardous exposures, including heavy metals. Furthermore, air pollutants, i.e., carbon monoxide sulfur oxides, hydrocarbons, particulate matter, and nitrogen oxides, singly or in combination, could have caused chronic health problems.

Depleted Uranium Registries: Depleted uranium is natural uranium leftover after most of the U-235 isotope has been removed, such as that used as fuel in nuclear power plants. DU possesses about 60 percent of the radioactivity of natural uranium; it is a radiation hazard primarily if internalized, such as in shrapnel, contaminated wounds, and inhalation. In addition to its radioactivity, DU has some chemical toxicity related to being a heavy metal (similar to lead).

Veterans who are identified by the Department of Defense (DoD) or have concerns about possible depleted uranium exposure are eligible for a DU evaluation. VA maintains two registries for Veterans possibly exposed to depleted uranium. The first is for Veterans who served in the Gulf War, including Operation Iraqi Freedom. The second is for Veterans who served elsewhere, including Bosnia and Afghanistan.

Agent Orange Registry: For Veterans possibly exposed to dioxin or other toxic substances in herbicides used during the Vietnam War between 1962 and 1975, regardless of length of service; exposure on land in Vietnam, or on a ship operating on the inland waterways of Vietnam between Jan. 9, 1962 and May 7, 1975; service along the demilitarized zone in Korea between April 1, 1968 and Aug. 31, 1971; possible exposure on or near the perimeters of military bases in Thailand between Feb. 28, 1961 and May 7, 1975; or possible exposure due to herbicides tests and storage at military bases in the United States and locations in other countries. DoD has provided a list of locations and dates where herbicides, including Agent Orange, were used. This DoD list is available at http://www.publichealth.va.gov/exposures/. For those sites not listed, the Veteran should provide some proof of exposure to obtain a registry examination. Information is also available through VA's Special Issues Helpline at 1-800-749-8387.

Ionizing Radiation Registry: For Veterans possibly exposed to and who are concerned about possible adverse effects of their atomic exposure during the following activities – On-site participation in: an atmospheric detonation of a nuclear device, whether or not the testing nation was the United States; occupation of Hiroshima or Nagasaki from Aug. 6, 1945, through July 1, 1946; or internment as a POW in Japan during World War II, which the Secretary of Veterans Affairs determines resulted in an opportunity for exposure to ionizing radiation comparable to that of Veterans involved in the occupation of Hiroshima or Nagasaki. In addition, VA regulations provide that "radiation-risk activity" refers to service at: Department of Energy gaseous diffusion plants at Paducah, Ky., Portsmouth, Ohio; or the K-25 area at Oak Ridge, Tennessee for at least 250 days before Feb. 1, 1992. If the Veteran was monitored for each of the 250 days using dosimetry badges to monitor radiation to external body parts or if the Veteran served for at least 250 days in a position that had exposures comparable to a job that was monitored using dosimetry badges in proximity to: Longshot, Milrow or Cannikin underground nuclear tests at Amchitka Island, Alaska, before Jan. 1, 1974 or Veterans in receipt of nasopharyngeal (NP) – nose and throat - radium irradiation treatments while in the active military, naval, or air service.

Readjustment Counseling

VA provides outreach and readjustment counseling services through 300 community-based Vet Centers located in all 50 states, the District of Columbia, Guam, Puerto Rico, and America Samoa.

Eligibility: Veterans are eligible if they served on active duty in a combat theater during World War II, the Korean War, the Vietnam War, the Gulf War, or the campaigns in Lebanon, Grenada, Panama, Somalia, Bosnia, Kosovo, Afghanistan, Iraq and the Global War on Terror. Veterans, who served in the active military during the Vietnam-era, but not in the Republic of Vietnam, must have requested services at a Vet Center before Jan. 1, 2004. Vet Centers do not require enrollment in the VHA Health Care System.

Services: Vet Center counselors provide individual, group, and family readjustment counseling to combat Veterans to assist them in making a successful transition from military to civilian life; to include treatment for post-traumatic stress

disorder (PTSD) and help with any other military related problems that affect functioning within the family, work, school or other areas of everyday life. Other psycho-social services include outreach, education, medical referral, homeless Veteran services, employment, VA benefit referral, and the brokering of non-VA services. The Vet Centers also provide military sexual trauma counseling to Veterans of both genders and of any era of military service.

Bereavement Counseling: Bereavement Counseling is available to all family members including spouses, children, parents and siblings of service members who die while on active duty. This includes federally activated members of the National Guard and reserve components. Bereavement services may be accessed by calling (202) 461-6530.

Vet Center Combat Call Center (1-877-WAR-VETS) is an around the clock confidential call center where combat Veterans and their families can call to talk about their military experience or any other issue they are facing in their readjustment to civilian life. The staff is comprised of combat Veterans from several eras as well as family members of combat Veterans.

For additional information, contact the nearest Vet Center or visit: http://www.vetcenter.va.gov/.

Prosthetic and Sensory Aids

Veterans receiving VA care for any condition may receive VA prosthetic appliances, equipment and services, such as home respiratory therapy, artificial limbs, orthopedic braces and therapeutic shoes, wheelchairs, powered mobility, crutches, canes, walkers, special aids, appliances, optical and electronic devices for visual impairment and other durable medical equipment and supplies. Veterans who are approved for a guide or service dog may also receive service dog benefits including veterinary care and equipment.

VA medical services include diagnostic audiology and diagnostic and preventive eye care services. VA will provide hearing aids and eyeglasses to the following Veterans:

a) Those with any compensable service-connected disability.

b) Those who are former Prisoners of War (POWs).

c) Those who were awarded a Purple Heart.

d) Those in receipt of benefits under Title 38 United States Code (U.S.C.) 1151.

e) Those in receipt of an increased pension based on being permanently housebound and in need of regular aid and attendance.

f) Those with vision or hearing impairment resulting from diseases or the existence of another medical condition for which the Veteran is receiving care or services from VHA, or which resulted from treatment of that medical condition, e.g., stroke, polytrauma, traumatic brain injury, diabetes, multiple sclerosis, vascular disease, geriatric chronic illnesses, toxicity from drugs, ocular photosensitivity from drugs, cataract surgery, and/or other surgeries performed on the eye, ear, or brain resulting in vision or hearing impairment.

g) Those with significant functional or cognitive impairment evidenced by deficiencies in the ability to perform activities of daily living.

h) Those who have vision and/or hearing impairment severe enough that it interferes with their ability to participate actively in their own medical treatment and to reduce the impact of dual sensory impairment (combined hearing loss and vision loss). NOTE: The term "severe" is to be interpreted as a vision and/or hearing loss that interferes with or restricts access to, involvement in, or active participation in health care

services (e.g., communication or reading medication labels). The term is not to be interpreted to mean that a severe hearing or vision loss must exist to be eligible for hearing aids or eyeglasses.

i) Those Veterans who have service-connected vision disabilities rated zero percent or hearing disabilities rated zero percent if there is organic conductive, mixed, or sensory hearing impairment, and loss of pure tone hearing sensitivity in the low, mid, or high-frequency range or a combination of frequency ranges which contribute to a loss of communication ability; however, hearing aids are to be provided only as needed for the service-connected hearing disability.

Non-service-connected (NSC) Veterans are eligible for hearing aids or eyeglasses on the basis of medical need. All such Veterans (including Medal of Honor recipients who do not have entitling conditions or circumstances and catastrophically disabled Veterans) must receive a hearing evaluation by a state-licensed audiologist prior to determining eligibility for hearing aids or an appropriate evaluation by an optometrist or ophthalmologist prior to determining eligibility for eyeglasses to establish medical justification for provision of these devices. These Veterans must meet the following criteria for eligibility based on medical need:

a) Be enrolled and receiving a vested level of care from the VA medical facility where they receive their health care; and

b) Have hearing or vision loss that interferes with or restricts communication to the extent that it affects their active participation in the provision of health care services as determined by an audiologist or an eye care practitioner or provider.

For additional information, contact the prosthetic chief or representative at the nearest VA health care facility or go to www.prosthetics.va.gov.

Home Improvements and Structural Alterations

VA provides up to $6,800 lifetime benefits for service-connected Veterans and up to $2,000 for non-service-connected Veterans to make home improvements and/or structural changes necessary for the continuation of treatment or for disability access to the Veteran's home and essential lavatory and sanitary facilities.

Modifications can include but are not limited to:

- Ramps allowing entrance to, or exit from, the Veteran's residence.
- Widening of doorways to allow access to essential lavatory and sanitary facilities.
- Raising or lowering kitchen or bathroom sinks and/or counters.
- Improving entrance paths or driveways in immediate area of the home to facilitate access to the home by the Veteran.
- Improving plumbing or electrical systems made necessary due to installation of dialysis equipment or other medically sustaining equipment in the home.

For application information, contact the Chief, Prosthetic & Sensory Aids Service at the nearest VA health care facility.

Outpatient Dental Treatment

VA outpatient dental treatment includes the full spectrum of diagnostic, surgical, restorative and preventive procedures. The extent of care provided may be influenced by eligibility category.

Eligibility: The following veterans are eligible to receive dental care:

1. Have a service-connected compensable dental disability or condition.
2. Former POWs.
3. Have service-connected disabilities rated 100% disabling, or are unemployable and paid at the 100% rate due to service-connected conditions.
4. Apply for dental care within 180 days of discharge or release from a period of active duty (under conditions other than dishonorable) of 90 days or more during the Gulf War era.
5. Have a service-connected non-compensable dental condition or disability resulting from combat wounds or service trauma.
6. Have a dental condition clinically determined by VA to be associated with and aggravating a service-connected medical condition
7. Are actively engaged in a 38 USC Chapter 31 vocational rehabilitation program.
8. Are receiving VA care or are scheduled for inpatient care and require dental care for a condition complicating a medical condition currently under treatment.
9. Are an enrolled Veteran who may be homeless and receiving care under VHA Directive 2007-039.

***Note:** Public Law 83 enacted June 16, 1955, amended Veterans' eligibility for outpatient dental services. As a result, any Veteran who received a dental award letter from VBA dated before 1955 in which VBA determined the dental conditions to be non-compensable are no longer eligible for Class II outpatient dental treatment.

Veterans receiving hospital, nursing home, or domiciliary care will be provided dental services that are professionally determined by a VA dentist, in consultation with the referring physician, to be essential to the management of the patient's medical condition under active treatment.

For more information about eligibility for VA medical and dental benefits, contact VA at 1-877-222-8387 or www.va.gov/healthbenefits

Mental Health Care

Veterans eligible for VA medical care may apply for general mental health treatment including specialty services such as Post Traumatic Stress Disorder and substance abuse treatment. Contact the nearest VA health care facility to apply.

VA's Comprehensive Assistance for Family Caregivers Program entitles the designated Family Caregiver access to mental health. These services may be offered at the VA and/or contracted agencies. General Caregivers (of all era Veterans) can receive counseling and other services when necessary if the treatment supports the Veteran's treatment plan. For more information on VA Mental Health services visit www.mentalhealth.va.gov/VAMentalHealthGroup.asp.

Suicide Prevention Hotline

Veterans experiencing an emotional distress/crisis or who need to talk to a trained mental health professional may call the Veterans Crisis Line lifeline 1-800-273-TALK (8255). The hotline is available 24 hours a day, seven days a week. When callers press "1", they are immediately connected with a qualified and caring provider who can help. Visit http://www.mentalhealth.va.gov/suicide_prevention/ for more ways to access immediate support for yourself or someone you care about.

Chat feature: Veterans Chat is located at the Veterans Crisis Line and enables Veterans, their families and friends to go online where they can anonymously chat with a trained VA counselor. Veterans Chat can be accessed through the suicide prevention Website www.Veterancrisisline.net by clicking on the Veterans Chat tab on the right side of the Webpage.

Text feature: Those in crisis may text 83-8255 free of charge to receive confidential, personal and immediate support.

European access: Veterans and members of the military community in Europe may now receive free, confidential support from the European Military Crisis Line, a new initiative recently launched by VA. Callers in Europe may dial 0800-1273-8255 or DSN 118 to receive confidential support from responders at the Veterans Crisis Line in the U.S.

Work Restoration Programs

VA provides vocational assistance and therapeutic work opportunities through several programs for Veterans receiving VA health care. Each program offers treatment and rehabilitation services to help Veterans live and work in their communities. Participation in the following VA Work Restoration Programs cannot be used to deny or discontinue VA disability benefits. Payments received from Incentive Therapy and Compensated Work Therapy transitional work are not taxable.

Incentive Therapy (IT) provides a diversified work experience at VA medical centers for Veterans who exhibit severe mental illness and/or physical impairments. IT services may consist of full or part time work with nominal remuneration limited to the maximum of one half of the Federal minimum wage.

Compensated Work Therapy/Sheltered Workshop operates sheltered workshops at approximately 35 VA medical centers. CWT sheltered work shop is a pre-employment vocational activity that provides an opportunity for work hardening and assessment in a simulated work environment. Participating Veterans are paid on a piece rate basis.

CWT/Transitional Work (CWT/TW) is vocational assessment program that operates in VA medical centers and/or local community business and industry. CWT/TW participants are matched to real life work assignments for a time limited basis. Veterans are supervised by personnel of the sponsoring site, under the same job expectations experienced by non-CWT workers. CWT/TW participants are not considered employees and receive no traditional employee benefits. Participants receive the greater of Federal or state minimum wage, or more depending on the type of work. Over 40 percent of participants secure competitive employment at the time of discharge.

CWT/Supported Employment (CWT/SE) consists of full-time or part-time competitive employment with extensive clinical supports. The focus of CWT/SE is to assist Veterans with psychosis and other serious mental illnesses gain access to meaningful competitive employment. CWT/SE follow along support services are generally phased out after the Veteran is able to maintain employment independently.

Services for Blind Veterans

Blind veterans may be eligible for services at a VA medical center or for admission to a VA blind rehabilitation center. In addition, blind veterans enrolled in the VA health care system may receive:

1. A total health and benefits review as well as counseling on obtaining benefits that may be due to the Veteran but have not been received.
2. Adjustment to blindness training and counseling.
3. Home improvements and structural alterations.
4. Specially adapted housing and adaptations.
5. Automobile grant.
6. Rehabilitation assessment and training to improve independence and quality of life.
7. Low-vision devices and training in their use.
8. Electronic and mechanical aids for the blind, including adaptive computers and computer-assisted devices such as reading machines and electronic travel aids.
9. Facilitation and recommendation for guide dogs and support in the use of guide dogs.
10. Costs for veterinary care and equipment for guide dogs.
11. Talking books, tapes and Braille literature.
12. Family education and support.

Eligible visually impaired veterans (who are not blind) enrolled in the VA health care system may receive:

1. A total health and benefits review.
2. Adjustment to vision loss counseling and training.
3. Rehabilitation assessment and training to improve independence and quality of life.
4. Low-vision devices and training in their use.
5. Electronic and mechanical aids for the visually impaired, including adaptive computers and computer-assisted devices such as reading machines and electronic travel aids, and training in their use.
6. Family education and support.

Special Eligibility Programs

Special Eligibility for Children with Spina Bifida

VA provides comprehensive health care benefits, including outpatient, inpatient, pharmacy, prosthetics, medical equipment, and supplies for certain Korea and Vietnam Veterans' birth children diagnosed with Spina Bifida (except spina bifida occulta).

Special Eligibility for Veterans Participating in Vocational Rehabilitation

Veterans participating in VA's vocational rehabilitation program may receive VA health care benefits including prosthetics, medical equipment, and supplies.

Limitations on Benefits Available to Veterans outside the U.S.

Veterans outside the U.S. are eligible for prosthetics, medical equipment, and supplies only for a Service-connected disability.

Domiciliary Care

The Domiciliary Care Program is the Department of Veterans Affairs (VA) oldest health care program. Established through legislation passed in the late 1860's, the Domiciliary's purpose was to provide a home for disabled volunteer soldiers of the Civil War. Domiciliary care was initially established to provide services to economically-disadvantaged Veterans, and it remains committed to serving that group. The Domiciliary has evolved from a "Soldiers' Home" to become an active clinical rehabilitation and treatment program for male and female Veterans and domiciliary programs are is now integrated with the **Mental Health Residential Rehabilitation and Treatment Programs (MH RRTPs).**

Eligibility: VA may provide domiciliary care to veterans whose annual gross household income does not exceed the maximum annual rate of VA pension or those the Secretary of Veterans Affairs determines have no adequate means of support. Co-pays for extended care services apply to domiciliary care. Call the nearest VA benefits or health care facility for more information or visit http://www.va.gov/HOMELESS/DCHV.asp.

Nursing-Home Care

VA provides nursing home services through three national programs: VA owned and operated nursing homes, state veterans' homes owned and operated by the state, and contract community nursing homes. Each program has its own admission and eligibility criteria.

VA provides nursing home services to Veterans through three national programs: VA owned and operated Community Living Centers (CLC), State Veterans' Homes owned and operated by the states, and the community nursing home program. Each program has admission and eligibility criteria specific to the program. Nursing home care is available for enrolled Veterans who need nursing home care for a service-connected disability, and those rated 60 percent service-connected and unemployable; or Veterans or who have a 70 percent or greater service-connected disability. VA provided nursing home care for all other Veterans is based on available resources.

VA Community Living Centers: Community Living Centers (CLC) provide a dynamic array of short stay (less than 90 days) and long stay (91 days or more) services. Short stay services include but are not limited to skilled nursing, respite care, rehabilitation, hospice, and continuing care for Veterans awaiting placement in the community. Long stay services include but are not limited to dementia care and continuing care to maintain the Veteran's level of functioning. Short stay and long stay services are available for Veterans who are enrolled in VA health care and require CLC services.

State Veterans' Home Programs: The state veterans' home program is a cooperative venture between the states and VA whereby the states petition VA for matching construction grants and once granted, the state, the veteran, and VA pay a portion of the per diem. The per diem is set in legislation. State veterans homes accept all veterans in need of long-term or short-term nursing home care. Specialized services offered are dependent upon the capability of the home to render them.

Community Nursing Home Program: VA maintains contracts with community nursing homes though every VA medical center. The purpose of this program is to meet the nursing home needs of veterans who require long-term nursing home care in their own community, close to their families.

Eligibility: The general admission criteria for nursing home placement requires that a resident must be medically stable, i.e. not acutely ill, have sufficient functional deficits to require inpatient nursing home care, and is assessed by an appropriate medical provider to be in need of institutional nursing home care. Furthermore, the veteran must meet the required VA eligibility criteria for nursing home care or the contract nursing home program and the eligibility criteria for the specific state veterans' home.

Home and Community Based Services: In addition to nursing home care, VA offers a variety of other long-term care services either directly or by contract with community-based agencies. Such services include adult day health care, respite care, geriatric evaluation and management, hospice and palliative care, skilled nursing and other skilled professional services at home, home health aide services, and home based primary care. Veterans receiving these services may be subject to a co-pay.

Emergency Medical Care in Non-VA Facilities

In the case of medical emergencies, VA may reimburse or pay for emergency non-VA medical care not previously authorized that is provided to certain eligible Veterans when VA or other federal facilities are not feasibly available. This benefit may be dependent upon other conditions, such as notification to VA, the nature of treatment sought, the status of the Veteran, the presence of other health care insurance, and third party liability.

Because there are different regulatory requirements that may affect VA payment and Veteran liability for the cost of care, it is very important that the nearest VA medical facility to where emergency services are furnished be notified as soon as possible after emergency treatment is sought. If emergency inpatient services are required, VA will assist in transferring the Veteran to a Department facility, if available. Timely filing claim limitations apply. For additional information, contact the nearest VA medical facility. Please note that reimbursement criteria for Veterans living or traveling outside the United States fall under VA's Foreign Medical Program (FMP), and differ from the criteria for payment of emergency treatment received in the United States.

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Veterans with Service-Connected Disabilities

Disability Compensation

Disability compensation is a monetary benefit paid to veterans who are disabled by an injury or disease that was incurred or aggravated during active military service. These disabilities are considered to be service-connected. Disability compensation varies with the degree of disability and the number of veteran's dependents, and is paid monthly. Veterans with certain severe disabilities may be eligible for additional special monthly compensation. The benefits are not subject to federal or state income tax.

The payment of military retirement pay, disability severance pay and separation incentive payments known as SSB (Special Separation Benefits) and VSI (Voluntary Separation Incentives) affects the amount of VA compensation paid to disabled veterans.

To be eligible, the service of the veteran must have been terminated through separation or discharge under conditions other than dishonorable.

For special monthly compensation rate tables, visit:
http://www.benefits.va.gov/COMPENSATION/resources_comp02.asp

Veterans with disability ratings of at least 30 percent are eligible for additional allowances for dependents, including spouses, minor children, children between the ages of 18 and 23 who are attending school, children who are permanently incapable of self-support because of a disability arising before age 18, and dependent parents. The additional amount depends on the disability rating. For additional details, visit http://www.vba.va.gov/bln/21/.

Receiving Disability Benefit Payments

The Department of Treasury has mandated that all recurring federal benefits be administered through either Electronic Funds Transfer (EFT) or Direct Express® Debit MasterCard®. Compensation and pension beneficiaries can establish direct deposit through the Treasury's Go Direct helpline. Call toll-free 1-800-333-1795, or enroll online at www.GoDirect.org.

Veterans also have the option of receiving their benefits via a prepaid debit card, even if they do not have a bank account. There is no credit check, no minimum balance required, and basic services are free. To establish payments of federal benefits through Direct Express® Debit MasterCard® issued by Comerica Bank, call **1-888-213-1625** to enroll in the program.

Presumptive Conditions for Disability Compensation

Certain veterans are eligible for disability compensation based on the presumption that their disability is service connected.

Prisoners of War: For former POWs who were imprisoned for any length of time, the following disabilities are presumed to be service-connected if they are rated at least 10 percent disabling any time after military service: psychosis, any of the anxiety states, dysthymic disorder, organic residuals of frostbite, post-traumatic osteoarthritis,

atherosclerotic heart disease or hypertensive vascular disease and their complications, stroke and its complications, residuals of stroke and effective Oct. 10, 2008, osteoporosis if the Veteran has post-traumatic stress disorder (PTSD).

For former POWs who were imprisoned for at least 30 days, the following conditions are also presumed to be service-connected: avitaminosis, beriberi, chronic dysentery, helminthiasis, malnutrition (including optic atrophy associated with malnutrition), pellagra and/or other nutritional deficiencies, irritable bowel syndrome, peptic ulcer disease, peripheral neuropathy except where related to infectious causes, cirrhosis of the liver, and effective Sept. 28, 2009, osteoporosis.

Veterans Exposed to Agent Orange and Other Herbicides: A veteran who served in the Republic of Vietnam between Jan. 9, 1962, and May 7, 1975, is presumed to have been exposed to Agent Orange and other herbicides used in support of military operations.

Fourteen illnesses are presumed by VA to be service-connected for such Veterans: AL amyloidosis, chloracne or other acneform disease similar to chloracne, porphyria cutanea tarda, soft-tissue sarcoma (other than osteosarcoma, chondrosarcoma, Kaposi's sarcoma or mesothelioma), Hodgkin's disease, multiple myeloma, respiratory cancers (lung, bronchus, larynx, trachea), non-Hodgkin's lymphoma, prostate cancer, acute and subacute peripheral neuropathy, diabetes mellitus (Type 2), all chronic B-cell leukemias (including, but not limited to, hairy-cell leukemia and chronic lymphocytic leukemia), Parkinson's disease, and ischemic heart disease.

Veterans Exposed to Radiation: For veterans who participated in “radiation risk activities” as defined in VA regulations while on active duty, the following conditions are presumed to be service-connected: all forms of leukemia (except for chronic lymphocytic leukemia); cancer of the thyroid, breast, pharynx, esophagus, stomach, small intestine, pancreas, bile ducts, gall bladder, salivary gland, urinary tract (renal pelvis, ureter, urinary bladder and urethra), brain, bone, lung, colon, and ovary, bronchiolo-alveolar carcinoma, multiple myeloma, lymphomas (other than Hodgkin’s disease), and primary liver cancer (except if cirrhosis or hepatitis B is indicated).

To determine service-connection for other conditions or exposures not eligible for presumptive service-connection, VA considers factors such as the amount of radiation exposure, duration of exposure, elapsed time between exposure and onset of the disease, gender and family history, age at time of exposure, the extent to which a non service-related exposure could contribute to disease, and the relative sensitivity of exposed tissue.

Gulf War Veterans: Gulf War veterans may receive disability compensation for chronic disabilities resulting from undiagnosed illnesses, medically unexplained chronic multi-symptom illnesses defined by a cluster of signs or symptoms. A disability is considered chronic if it has existed for at least six months. The undiagnosed illnesses must have appeared either during active service in the Southwest Asia Theater of Operations during the Gulf War or to a degree of at least 10 percent at any time since then through Dec. 31, 2011.

Examples of symptoms of an undiagnosed illness and medically unexplained chronic multi-symptom illness defined by a cluster of signs and symptoms include: chronic fatigue syndrome, fibromyalgia, functional gastrointestinal disorders , fatigue, signs or symptoms involving the skin, skin disorders, headache, muscle pain, joint pain, neurological signs or symptoms, neuropsychological signs or symptoms, signs or symptoms involving the respiratory system (upper or lower), sleep disturbances, gastrointestinal signs or symptoms, cardiovascular signs or symptoms, abnormal weight loss, and menstrual disorders.

Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig’s Disease, may be determined to be service-connected if the veteran served in the Southwest Asia Theater of Operations anytime during the period of Aug. 2, 1990, to July 31, 1991. The Southwest Asia Theater of Operations includes Iraq, Kuwait, Saudi Arabia, the neutral

zone between Iraq and Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, Oman, the Gulf of Aden, the Gulf of Oman, the Persian Gulf, the Arabian Sea, the Red Sea, and the airspace above these locations.

Programs for Veterans with Service-Connected Disabilities

Vocational Rehabilitation and Employment

Vocational Rehabilitation and Employment (VR&E) This program assists Veterans who have service-connected disabilities obtain and maintain suitable employment. Independent living services are also available for severely disabled Veterans who are not currently able to seek employment. Additional information is available at http://www.benefits.va.gov/vocrehab/.

Eligibility: A veteran must have a VA service-connected disability rated at least 20 percent with an employment handicap, or rated 10 percent with a serious employment handicap, and be discharged or released from military service under other than dishonorable conditions. Service members pending medical separation from active duty may also apply if their disabilities are reasonably expected to be rated at least 20 percent following their discharge.

Services: Rehabilitation services provided to participants in the VR&E program are under one of five tracks. VA pays the cost of all approved training programs. Subsistence allowance may also be provided. The five tracks are:

- **Reemployment with Previous Employer**: For individuals who are separating from active duty or in the National Guard or Reserves and are returning to work for their previous employer.
- **Rapid Access to Employment**: For individuals who either wish to obtain employment soon after separation or who already have the necessary skills to be competitive in the job market in an appropriate occupation.
- **Self-Employment**: For individuals who have limited access to traditional employment, need flexible work schedules, or who require more accommodation in the work environment due to their disabling conditions or other life circumstances.
- **Employment Through Long-Term Services**: For individuals who need specialized training and/or education to obtain and maintain suitable employment.
- **Independent Living Services**: For veterans who are not currently able to work and need rehabilitation services to live more independently.

Period of a Rehabilitation Program: Generally, Veterans must complete a program within 12 years from their separation from military service or within 12 years from the date VA notifies them that they have a compensable service-connected disability. Depending on the length of program needed, Veterans may be provided up to 48 months of full-time services or their part-time equivalent. Rehabilitation plans that provide services that only improve independence are limited to 30 months. These limitations may be extended in certain circumstances.

Work-Study: Veterans training at the three-quarter or full-time rate may participate in VA's work-study program. Participants may provide VA outreach services, prepare and process VA paperwork, and work at a VA medical facility or perform other VA-approved activities

Subsistence Allowance Rates: In some cases, Veterans participating in the VR&E program may receive a subsistence allowance while they pursue an educational or training program in preparation for a future career. The subsistence allowance is paid each month, and is based on the rate of attendance in a training program (full time, three quarter time, or half time), the number of dependents, and the type of training. If a Veteran qualifies for the Post-9/11 GI Bill he/she may be eligible to receive the Basic Allowance for Housing (BAH) rate for subsistence.

Download the current subsistence allowance rates (in effect as of October 1, 2015)

Standard Ch31 Subsistence Allowance Rates effective 10/1/2015
- MS Word Version
- PDF Version

Post-9/11 Ch31 Subsistence Allowance Rate Information (effective January 1st each calendar year)
- MS Word Version
- PDF Version

Effective October 1, 2014, the maximum monthly rate for Chapter 31 Subsistence Allowance is $2,562.

This maximum rate was calculated based upon full-time enrollment for a Veteran with the following dependents: spouse, mother, father and 25 children.

Source: http://www.benefits.va.gov/vocrehab/subsistence_allowance_rates.asp

Specially Adapted Housing

The SAH and SHA benefit amount is set by law, but may be adjusted upward annually based on a cost-of-construction index. The maximum dollar amount allowable for SAH grants in fiscal year 2016 is $73,768. The maximum dollar amount allowable for SHA grant in fiscal year 2016 is $14,754. No individual may use the grant benefit more than three times up to the maximum dollar amount allowable.

A temporary grant may be available to SAH/SHA eligible Veterans and Servicemembers who are or will be temporarily residing in a home owned by a family member. The maximum amount available to adapt a family member's home for the SAH grant is $32,384 and for the SHA grant is $5,782.

How to Apply

To apply for a grant, fill out and submit VA Form 26-4555, *Application in Acquiring Specially Adapted Housing or Special Home Adaptation Grant*. You can access this form by:
- Applying online via www.ebenefits.va.gov
- Downloading VA Form 26-4555, *Application in Acquiring Specially Adapted Housing or Special Home Adaptation Grant* and mailing it to your nearest Regional Loan Center
- Calling VA toll free at 1-800-827-1000 to have a claim form mailed to you
- Visiting the nearest VA regional office. Find the office nearest you by visiting VA Regional Office Locations or calling VA toll-free at **1-800-827-1000**

Need more information or have questions? Contact a Specially Adapted Housing (SAH) staff member via email: sahinfo.vbaco@va.gov or by phone at (877) 827-3702. Need to find a SAH Agent in your vicinity? Please go to our SAH Agent page to find an agent near you.

Automobile Assistance

Veterans and service members may be eligible for a one-time payment of not more than $20,114.34 toward the purchase of an automobile or other conveyance if they have service-connected loss or permanent loss of use of one or both hands or feet, permanent impairment of vision of both eyes to a certain degree, or ankylosis (immobility) of one

or both knees or one or both hips. For more information, see http://www.benefits.va.gov/COMPENSATION/claims-special-auto-allowance.asp.

They may also be eligible for adaptive equipment, and for repair, replacement, or reinstallation required because of disability or for the safe operation of a vehicle purchased with VA assistance. To apply, contact a VA regional office at 1-800-827-1000 or the nearest VA medical center.

Clothing Allowance

Any Veteran who is service-connected for a disability for which he or she uses prosthetic or orthopedic appliances may receive an annual clothing allowance. This allowance is also available to any Veteran whose service-connected skin condition requires prescribed medication that irreparably damages outer garments. To apply, contact the prosthetic representative at the nearest VA medical center.

Aid and Attendance or Housebound

A veteran who is determined by VA to be in need of the regular aid and attendance of another person, or a veteran who is permanently housebound, may be entitled to additional disability compensation or pension payments. A veteran evaluated at 30 percent or more disabled is entitled to receive an additional payment for a spouse who is in need of the aid and attendance of another person.

Concurrent Retirement and Disability Payments (CRDP)

Qualified disabled military retirees will now get paid both their full military retirement pay and their VA disability compensation. This recently passed law phases out (over 9 years) the VA disability offset, which means that military retirees with 20 or more years of service and a 50% (or higher) VA rated disability will no longer have their military retirement pay reduced by the amount of their VA disability compensation.

CRDP Update 1/28/2008: Those members who have been rated less than 100 percent, but rated 100 percent disabled by the VA under the unemployability code (UI), will now receive CRDP. It has not been made clear when the first payments will be sent. Contact the VA for details on your personal payment situation. 1-800-827-1000.

Eligibility: To qualify, veterans must also meet all three of the following criteria:

1. Be a Military Retiree with 20 or more years of service, including:
   a) Chapter 61 Medical Retirees with **20 years** or more.
   b) National Guard and Reserve with **20 or more** good years. (Once they turn 60 and begin drawing a retirement check)
   c) Temporary Early Retirement Authority (TERA) Retirees may also be eligible.
2. Have a Service Related VA disability rating of 50% or higher.

Retirees do not need to apply for this benefit. Payment is coordinated between VA and the Department of Defense (DOD).

Combat-Related Special Compensation (CRSC)

Combat Related Special Compensation (CRSC) is a program that was created for disability and non-disability military retirees with combat-related disabilities. It is a tax free entitlement that you will be paid each month along with any retired pay you may already be receiving.

Eligibility: Retired veterans with combat-related injuries must meet all of the following criteria to apply for CRSC:

- be entitled to and/or receiving military retired pay
- be rated at least 10 percent by the Department of Veterans Affairs (VA)
- be a reservist that is at least 60 years old or retired under Temporary Early Retirement Authorization (TERA)
- waive your VA pay from your retired pay
- file a CRSC application with your Branch of Service

Disabilities that may be considered combat related include injuries incurred as a direct result of:

- Armed Conflict
- Hazardous Duty
- An Instrumentality of War
- Simulated War

Retroactive Payment

In addition to monthly CRSC payments, you may be eligible for a retroactive payment. DFAS will audit your account to determine whether or not you are due retroactive payment. An audit of your account requires researching pay information from both DFAS and VA.

If you are due any money from DFAS, you will receive it within 30-60 days of receipt of your first CRSC monthly payment. If DFAS finds that you are also due a retroactive payment from the VA, we will forward an audit to the VA. They are responsible for paying any money they may owe you.

Your retroactive payment date may go back as far as June 1, 2003, but can be limited based on:

- your overall CRSC start date as awarded by your Branch of Service
- your Purple Heart eligibility
- your retirement date
- your retirement law (disability or non-disability)

Disability retirees with less than 20 years of service will be automatically limited to a retroactive date of January 1, 2008 as required by legislation passed by Congress effective 2008.

All retroactive pay is limited to six years from the date the VA awarded compensation for each disability.

If you have questions about your CRSC eligibility, please call us at **800-321-1080** or contact your Branch of Service.

For more information call the toll free phone number for the veteran's branch of service: (Army) 1-866-281-3254; (Air Force) 1-800-525-0102; and (Navy) 1-877-366-2772.

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Dependents & Survivors

Family Participation

The family serves as a unit on active duty and will serve as a unit in retirement. Therefore, the retirement process, from start to finish, should be a family affair.

One survey showed that almost 80-percent of service members attending pre-retirement orientations do so alone. But these orientations are not solely for the service member. Like new arrival orientations, pre-retirement orientations are designed and presented for the family.

Information on retirement processing, movement of household goods, selection of a retirement location, issuance of new ID cards, Survivor Benefit Plan (SBP), VA benefits, retired pay, and other benefits and entitlements are complex. When only the service member attends the pre-retirement orientations, the information received cannot be fully relayed to the family. This prevents the family members from taking full advantage of their benefits and entitlements.

When the whole family does not attend pre-retirement orientations together, they approach the military retirement phase of their lives unprepared and uninformed. The more a family understands military retirement, the less stressful will be the transition from military to retired life. This will result in a more pleasant and successful military retirement.

We suggest that if you're nearing retirement, you find out when the next pre-retirement orientation is at your installation and bring the family. At the end of this handbook is an Appendix which we suggest you photocopy, fill out, and store where your family will find it if something happens to you.

Bereavement Counseling

VA Vet Centers provide bereavement counseling to all family members including spouses, children, parents, and siblings of Servicemembers who die while on active duty. This includes federally activated members of the National Guard and reserve components. Bereavement services may be accessed by calling (202) 461-6530.

Bereavement Counseling related to Veterans: Bereavement counseling is available through any Veterans Health Administration medical center to immediate family members of Veterans who die unexpectedly or while participating in a VA hospice or similar program, as long as the immediate family members had been receiving family support services in connection with or in furtherance of the Veteran's treatment. (In other cases, bereavement counseling is available to the Veteran's legal guardian or the individual with whom the Veteran had certified an intention to live, as long as the guardian or individual had been receiving covered family support services.) This bereavement counseling is of limited duration and may only be authorized up to 60 days. However, VA medical center directors have authority to approve a longer period of time when medically indicated. Contact the Social Work Service at the nearest VA Medical Center to access bereavement counseling services.

Dependency Indemnity Compensation

VA provides pensions to low-income surviving spouses and unmarried children of deceased veterans with wartime service.

Eligibility: To be eligible, spouses must not have remarried and children must be under age 18, or under age 23 if attending a VA-approved school, or have become permanently incapable of self-support because of disability before age 18.

The veteran must have been discharged under conditions other than dishonorable and must have had 90 days or more of active military service, at least one day of which was during a period of war, or a service-connected disability justifying discharge. Longer periods of service may be required for veterans who entered active duty on or after Sept. 8, 1980, or Oct. 16, 1981, if an officer. If the veteran died in service but not in the line of duty, death pension may be payable if the veteran had completed at least two years of honorable service.

Children who become incapable of self-support because of a disability before age 18 may be eligible for death pension as long as the condition exists, unless the child marries or the child's income exceeds the applicable limit.

A surviving spouse may be entitled to a higher income limit if living in a nursing home, in need of the aid and attendance of another person or is permanently housebound.

Payment: Death pension provides a monthly payment to bring an eligible person's income to a level established by law. The payment is reduced by the annual income from other sources such as Social Security. The payment may be increased if the recipient has unreimbursed medical expenses that can be deducted from countable income.

For current rates, visit: http://benefits.va.gov/Compensation/current_rates_dic.asp

Military Death Gratuity Payment

The death gratuity program provides for a special tax free payment of $100,000 to eligible survivors of members of the Armed Forces, who die while on active duty or while serving in certain reserve statuses. The death gratuity is the same regardless of the cause of death.

The longstanding purpose of the death gratuity has been to provide immediate cash payment to assist survivors of deceased members of the Armed forces to meet their financial needs during the period immediately following a member's death and before other survivor benefits, if any, become available.

The death gratuity is payable for death of members in a reserve status while performing authorized travel to or from active duty, while on inactive-duty training, or while performing authorized travel directly to or from active duty for training or inactive duty training, as well as, members of reserve officers' training programs who die while performing annual training duty under orders for a period of more than 13 days or while performing authorized travel to or from that duty, to applicants for membership in reserve officers' training corps who die while attending travelling to or from field training or a practice cruise and to persons travelling to from or while at a place of acceptance for entry upon active duty.

The death gratuity is also payable if an eligible member or former member dies within 120 days of release or discharge from active duty, or active duty for training when the Secretary of Veterans Affairs determines that the death resulted from injury or disease incurred or aggravated during such duty.

Eligible Survivor

Prior to May 25, 2007, the death gratuity was payable according to a specific hierarchy prescribed in law with limited opportunity for the member to designate a beneficiary.

Since July 1, 2008, a member may designate any person or persons to receive up to 100% of the death gratuity (in 10% increments) with any remaining undesignated amount payable according to a new prescribed hierarchy. The new beneficiary hierarchy for the amount of the death gratuity not covered by a designation shall be paid as follows:

1. To the surviving spouse of the person, if any.
2. If there is no surviving spouse, to any surviving children (as prescribed in the note for item 2 of the pre-2008 hierarchy, above) of the person and the descendants of any deceased children by representation.
3. If there is none of the above, to the surviving parents of the person or the survivor of them.
4. If there is none of the above, to the duly appointed executor or administrator of the estate of the person.
5. If there is none of the above, to other next of kin of the person entitled under the laws of domicile of the person at the time of the person's death.

Notes:

Item (1) Surviving Spouse: If a person has a spouse, but designates a person other than the spouse to receive all or a portion of the amount payable, the Secretary of the Military Department shall provide notice of the designation to the spouse.

Item (3) Treatment of Parents: Parents include fathers and mothers through adoption. However, only one father and one mother may be recognized in any case, and preference shall be given to those who exercised a parental relationship on the date, or most nearly before the date, on which the decedent entered military service.

If a person entitled to all or a portion of a death gratuity dies before the person receives the death gratuity, it shall be paid to the living survivor next in the order prescribed.

Designation of Eligible Survivors

Members may designate eligible survivors, at any time, by updating their DD Form 93, Record of Emergency Data.

Dependency and Indemnity Compensation

Eligibility: For a survivor to be eligible for Dependency and Indemnity Compensation (DIC), the Veteran's death must have resulted from one of the following causes:

1. A disease or injury incurred or aggravated in the line of duty while on active duty or active duty for training.
2. An injury, heart attack, cardiac arrest, or stroke incurred or aggravated in the line of duty while on inactive duty for training.
3. A service-connected disability or a condition directly related to a service-connected disability.

DIC also may be paid to certain survivors of Veterans who were totally disabled from service-connected conditions at the time of death, even though their service-connected disabilities did not cause their deaths. The survivor qualifies if the Veteran was:

1. Continuously rated totally disabled for a period of 10 years immediately preceding death; or
2. Continuously rated totally disabled from the date of military discharge and for at least 5 years immediately preceding death; or
3. A former POW who died after Sept. 30, 1999, and who was continuously rated totally disabled for a period of at least one year immediately preceding death.

Payments will be offset by any amount received from judicial proceedings brought on by the Veteran's death. When the surviving spouse is eligible for payments under the military's Survivor Benefit Plan (SBP), only the amount of SBP greater than DIC is payable. If DIC is greater than SBP, only DIC is payable. The Veteran's discharge must have been under conditions other than dishonorable.

Payments for Deaths After Jan. 1, 1993: Surviving spouses of Veterans who died on or after Jan. 1, 1993, receive a basic rate, plus additional payments for dependent children, for the aid and attendance of another person if they are patients in a nursing home or require the regular assistance of another person, or if they are permanently housebound.

Aid and Attendance and Housebound Benefits

Veterans and survivors who are eligible for a VA pension and require the aid and attendance of another person, or are housebound, may be eligible for additional monetary payment. These benefits are paid in addition to monthly pension, and they are not paid without eligibility to Pension.

Since Aid and Attendance and Housebound allowances increase the pension amount, people who are not eligible for a basic pension due to excessive income may be eligible for pension at these increased rates. A Veteran or surviving spouse may not receive Aid and Attendance benefits and Housebound benefits at the same time.

Aid & Attendance (A&A)

The Aid & Attendance (A&A) increased monthly pension amount may be added to your monthly pension amount if you meet one of the following conditions:

- You require the aid of another person in order to perform personal functions required in everyday living, such as bathing, feeding, dressing, attending to the wants of nature, adjusting prosthetic devices, or protecting yourself from the hazards of your daily environment
- You are bedridden, in that your disability or disabilities requires that you remain in bed apart from any prescribed course of convalescence or treatment
- You are a patient in a nursing home due to mental or physical incapacity
- Your eyesight is limited to a corrected 5/200 visual acuity or less in both eyes; or concentric contraction of the visual field to 5 degrees or less

Housebound

This increased monthly pension amount may be added to your monthly pension amount when you are substantially confined to your immediate premises because of permanent disability.

How to Apply

You may apply for Aid and Attendance or Housebound benefits by writing to the VA regional office where you filed a claim for pension benefits. If the regional office of jurisdiction is not known, you may file the request with any VA regional office. You should include copies of any evidence, preferably a report from an attending physician validating the need for Aid and Attendance or Housebound type care.

- The report should be in sufficient detail to determine whether there is disease or injury producing physical or mental impairment, loss of coordination, or conditions affecting the ability to dress and undress, to feed oneself, to attend to sanitary needs, and to keep oneself ordinarily clean and presentable.
- Whether the claim is for Aid and Attendance or Housebound, the report should indicate how well the applicant gets around, where the applicant goes, and what he or she is able to do during a typical day. In addition, it is necessary to determine whether the claimant is confined to the home or immediate premises.

Survivors' & Dependents' Educational Assistance

Eligibility: VA provides educational assistance to qualifying dependents as follows:

1. The spouse or child of a Servicemember or Veteran who either died of a service-connected disability, or who has permanent and total service-connected disability, or who died while such a disability existed.
2. The spouse or child of a Servicemember listed for more than 90 days as currently Missing in Action (MIA), captured in the line of duty by a hostile force, or detained or interned by a foreign government or power.
3. The spouse or child of a Servicemember who is hospitalized or receives outpatient care or treatment for a disability that is determined to be totally and permanently disabling, incurred or aggravated due to active duty, and for which the service member is likely to be discharged from military service.

Surviving spouses lose eligibility if they remarry before age 57 or are living with another person who has been recognized publicly as their spouse. They can regain eligibility if their remarriage ends by death or divorce or if they cease living with the person. Dependent children do not lose eligibility if the surviving spouse remarries. Visit http://www.benefits.va.gov/gibill/ for more information.

Period of Eligibility: The period of eligibility for Veterans' spouses expires 10 years from either the date they become eligible or the date of the Veteran's death. VA may grant an extension. Children generally must be between the ages of 18 and 26 to receive educational benefits, though extensions may be granted.

The period of eligibility for spouses of Servicemembers who died on active duty expires 20 years from the date of death. This is a change in law that became effective Dec. 10, 2004. Spouses of Servicemembers who died on active duty whose 10-year eligibility period expired before Dec. 10, 2004, now have 20 years from the date of death to use educational benefits. Effective Oct. 10, 2008, Public Law 110-389 provides a 20-year period of eligibility for spouses of Veterans with a permanent and total service-connected disability rating effective within 3 years of release from active duty.

Training Available: Benefits may be awarded for pursuit of associate, bachelor, or graduate degrees at colleges and universities; independent study; cooperative training study abroad certificate or diploma from business, technical or vocational schools, apprenticeships, on-the-job training programs; farm cooperative courses; and preparatory courses for tests required or used for admission to an institution of higher learning or graduate school. Benefits for correspondence courses under certain conditions are available to spouses only. Beneficiaries without high-school

degrees can pursue secondary schooling, and those with a deficiency in a subject may receive tutorial assistance if enrolled half-time or more.

Special Benefits: Dependents over age 14 with physical or mental disabilities that impair their ability to pursue an education may receive specialized vocational or restorative training, including speech and voice correction, language retraining, lip reading, auditory training, Braille reading and writing, and similar programs. Certain disabled or surviving spouses are also eligible.

Marine Gunnery Sergeant John David Fry Scholarship

Children of those who die in the line of duty on or since Sept. 11, 2001, are potentially eligible to use Post-9/11 GI Bill benefits.

Counseling: VA may provide counseling to help participants pursue an educational or vocational objective.

Montgomery GI Bill (MGIB) Death Benefit

VA will pay a special MGIB death benefit to a designated survivor in the event of the service-connected death of a Servicemember while on active duty or within one year after discharge or release. The deceased must either have been entitled to educational assistance under the MGIB program or a participant in the program who would have been so entitled but for the high school diploma or length-of-service requirement. The amount paid will be equal to the participant's actual military pay reduction, less any education benefits paid.

Children of Vietnam or Korean Veterans Born with Spina Bifida:

Biological children of male and female Veterans who served in Vietnam at any time during the period beginning Jan. 9, 1962, and ending May 7, 1975, or who served in or near the Korean demilitarized zone (DMZ) during the period beginning Sept. 1, 1967, and ending Aug. 31, 1971, born with spina bifida may be eligible for a monthly monetary allowance and vocational training if reasonably feasible. The law defines “child” as the natural child of a Vietnam Veteran, regardless of age or marital status. The child must have been conceived after the date on which the Veteran first entered the Republic of Vietnam. For more information about benefits for children with birth defects, visitwww.va.gov/hac/forbeneficiaries/spina/spina.asp. A monetary allowance is paid at one of three disability levels based on the neurological manifestations that define the severity of disability: impairment of the functioning of extremities, impairment of bowel or bladder function, and impairment of intellectual functioning.

Children of Women Vietnam Veterans Born with Certain Birth Defects:

Biological children of women Veterans who served in Vietnam at any time during the period beginning on Feb. 28, 1961, and ending on May 7, 1975, may be eligible for certain benefits because of birth defects associated with the mother’s service in Vietnam that resulted in a permanent physical or mental disability.
The covered birth defects do not include conditions due to family disorders, birth-related injuries, or fetal or neonatal infirmities with well-established causes. A monetary allowance is paid at one of four disability levels based on the child’s degree of permanent disability.

Vocational Training: VA provides vocational training, rehabilitation services, and employment assistance to help these children prepare for and attain suitable employment. To qualify, an applicant must be a child receiving a VA monthly allowance for spina bifida or another covered birth defect and for whom VA has determined that achievement of a vocational goal is reasonably feasible. A child may not begin vocational training before his/her 18th birthday or the date he/she completes secondary schooling, whichever comes first. Depending on need and eligibility, a child may

be provided up to 24 months of full-time training with the possibility of an extension of up to 24 months if it is needed to achieve the identified employment goal.

Civilian Health and Medical Program of the Department of Veterans Affairs

Overview: CHAMPVA, Not CHAMPUS or TRICARE

The Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) is a comprehensive health care program in which the VA shares the cost of covered health care services and supplies with eligible beneficiaries. The program is administered by Chief Business Office Purchased Care and our offices are located in Denver, Colorado.

Due to the similarity between CHAMPVA and the Department of Defense (DoD) TRICARE program (sometimes referred to by its old name, CHAMPUS) the two are often mistaken for each other. CHAMPVA is a Department of Veterans Affairs program whereas TRICARE is a regionally managed health care program for active duty and retired members of the uniformed services, their families, and survivors. In some cases a Veteran may appear to be eligible for both/either program on paper. However, if you are a military retiree, or the spouse of a Veteran who was killed in action, you are and will always be a TRICARE beneficiary, you can´t choose between the two.

Eligibility

To be eligible for CHAMPVA, you cannot be eligible for TRICARE, and you must be in one of these categories:

1. The spouse or child of a Veteran who has been rated permanently and totally disabled for a service-connected disability by a VA regional office.
2. The surviving spouse or child of a Veteran who died from a VA-rated service-connected disability.
3. The surviving spouse or child of a veteran who was at the time death rated permanently and totally disabled from a service-connected disability.
4. The surviving spouse or child of a military member who died in the line of duty, not due to misconduct (in most of these cases, these family members are eligible for TRICARE, not CHAMPVA).

Currently, under federal statute, the VA recognizes all marriages performed in the state of residence when that state considers the marriage legal. Marriages performed in a state other than the state of residence may not be recognized.

An eligible CHAMPVA sponsor may be entitled to receive medical care through the VA health care system based on his or her own Veteran status. If the eligible CHAMPVA sponsor is the spouse of another eligible CHAMPVA sponsor, both may now be eligible for CHAMPVA benefits. In each instance where the eligible spouse requires medical attention, he or she may choose the VA health care system or coverage under CHAMPVA for his/her health care needs.

Relationship to Medicare

CHAMPVA is always the secondary payer to Medicare. If you are under age 65 and eligible for CHAMPVA and Medicare, you must enroll in Medicare Part A and Medicare Part B to keep your CHAMPVA benefits. Social Security Administration documentation of enrollment in both Part A and Part B is required by CHAMPVA.

To continue to receive CHAMPVA benefits after age 65, you must meet the following conditions:

- If you turned 65 on or after June 5, 2001, you must be enrolled in Medicare Part A and Part B to remain eligible for CHAMPVA.
- If you turned 65 or older prior to June 5, 2001, and were otherwise eligible for CHAMPVA, and were entitled to Medicare Part A coverage, then you may eligible for CHAMPVA without having to have Medicare Part B coverage.
- If you turned 65 before June 5, 2001, and have Medicare Part A and Part B, you must keep Part A and Part B to be eligible for CHAMPVA.
- You are not required to enroll in Medicare Part D in order to become or remain CHAMPVA eligible.

For more information on Medicare, please visit Medicare web site

CHAMPVA Deductible

On January 1 of each year, the annual deductible requirement for your CHAMPVA benefits will begin again.

- The deductible is applied to the first medical or pharmacy claims processed in a calendar year until the deductible is met.
- The deductible is $50 per beneficiary or a maximum of $100 per family per year.
- DO NOT send checks to us to satisfy your deductible requirement. It will automatically be deducted from your submitted claims.

Change of Address

If you change your address, it is vital that you update your address with CHAMPVA

You can mail a signed address change request to:

CHAMPVA
POB 469063
Denver CO 80246-9063

You can contact us to update your information via the Inquiry Routing & Information System (IRIS). IRIS is a tool that allows us to communicate in a secure format and will be used instead of our traditional email links. You can also update your address information with one of our Customer Service Representatives by calling 800-733-8387.

Benefits

In general our CHAMPVA program covers most health care services and supplies that are medically and psychologically necessary. Upon confirmation of eligibility, you will receive a CHAMPVA handbook that specifically addresses covered and non-covered services and supplies.

General Exclusions

Like all health programs there are certain services and supplies that are not covered by our program, some of these are:

- Services and supplies obtained as part of a grant, study, or research program.

- Services and supplies not provided in accordance with accepted professional medical standards or related to experimental/investigational or unproven procedures or treatment regimens.
- Care for which you are not obligated to pay, such as services obtained at a health fair.
- Care provided outside the scope of the provider's license or certification.
- Services or supplies above the appropriate level required to provide the necessary medical care.
- Services by providers suspended or sanctioned by any federal agency.
- Services provided by a member of your immediate family or person living in your household.
- For information on excluded mental health benefits, please see CHAMPVA Mental Health and Substance Use Disorder Benefits (01-01)

For a complete listing of non-covered services and supplies please consult the CHAMVPA handbook.

Denied Claims

Do you need help to reprocess a denied claim? We have compiled a list of the 10 most common denial codes for claims submitted to CHAMPVA. If you have a CHAMPVA explanation of benefits (EOB) for a denied claim, you can find the denial code at the bottom of the EOB. For additional details on the rejection and instructions to file, read the denied claims page.

Other Benefits for Survivors

VA Home Loan Guaranty

A VA loan guaranty to acquire a home may be available to an unmarried spouse of a Veteran or Servicemember who died as a result of service-connected disabilities, a surviving spouse who remarries after age 57, or to a spouse of a Servicemember officially listed as MIA or who is currently a POW for more than 90 days. Spouses of those listed MIA/POW are limited to one loan. Currently, under federal statute, the VA recognizes all marriages performed in the state of residence when that state considers the marriage legal. Marriages performed in a state other than the state of residence may not be recognized.

Burial and Memorial Benefits for Survivors

The Department of Veterans Affairs offers several burial and memorial benefits for eligible survivors and dependents. These benefits may include internment at a state or national Veterans cemetery, plot, marker and more. To learn more about these and other benefits please refer to Chapter 11 of this guide.

Visiting Overseas Cemeteries

“No-fee” passports are available for family members visiting graves or memorial sites at World War I and World War II overseas American military cemeteries. Eligibility is limited to surviving spouses, parents, children, sisters, brothers and guardians of the deceased who are buried or commemorated in American military cemeteries on foreign soil.

For additional information, write: American Battle Monuments Commission, Courthouse Plaza II, Suite 500, 2300 Clarendon Blvd., Arlington, VA 22201, call 703-696-6897, or visit: http://www.abmc.gov/.

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Special Groups of Veterans

Women Veterans

Women veterans are eligible for the same VA benefits as male veterans, but can also receive additional gender-specific services, including breast and pelvic examinations and other reproductive health care services.

VA provides preventive health care counseling, contraceptive services, menopause management, Pap smears and mammography. Referrals are made for services that VA is unable to provide. Women Veterans' Program Managers are available in a private setting at all VA facilities to help women veterans seeking treatment and benefits. For information, visit http://www.va.gov/womenvet/.

VA health care professionals provide counseling and treatment to help veterans overcome psychological issues resulting from sexual trauma that occurred while serving on active duty, or active duty for training if service was in the National Guard or reserves. Veterans who are not otherwise eligible for VA health care may still receive these services and do not need to enroll. Appropriate services are provided for any injury, illness or psychological condition resulting from such trauma.

Homeless Veterans

VA's homeless programs constitute the largest integrated network of homeless assistance programs in the country, offering a wide array of services to help Veterans recover from homelessness and live as self-sufficiently and independently as possible.

The VA Health Care for Homeless Veterans (HCHV) Program provides a gateway to VA and community supportive services for eligible Veterans. Through the HCHV Program, Veterans are provided with case management and residential treatment in the community. The program also conducts outreach to homeless Veterans who are not likely to come to VA facilities on their own.

The National Call Center for Homeless Veterans (NCCHV) assists homeless Veterans, at-risk Veterans, their families and other interested parties with linkages to appropriate VA and community-based resources. The call center provides trained VA staff members 24 hours a day; seven days a week to assess a caller's needs and connect them to appropriate resources. The call center can be accessed by dialing 1-877-4AID VET (1-877-424-3838).

The VA Grant and Per Diem (GPD) Program provides funds to non-profit community agencies providing transitional housing (up to 24 months) and/or offering services to homeless Veterans, such as case management, education, crisis intervention, counseling, and services targeted towards specialized populations including homeless women Veterans. The goal of the program is to help homeless Veterans achieve residential stability, increase their skill levels and/or income, and obtain greater self-determination.

The Housing and Urban Development-Veterans Affairs Supported Housing (HUD-VASH) Program provides permanent housing and ongoing case management for eligible homeless Veterans who would not be able to live independently otherwise. This program allows eligible Veterans to live in Veteran-selected housing units with a "Housing Choice" voucher. These vouchers are portable to support the Veteran's choice of housing in communities served by their VA medical facility where case management services can be provided. HUD-VASH services include

outreach and case management to ensure integration of services and continuity of care. This program enhances the ability of VA to serve homeless women Veterans, and homeless Veterans with families.

Through the Supportive Services for Veteran Families Program, VA aims to improve very low-income Veteran families' housing stability by providing supportive services in, or transitioning to, permanent housing. VA funds community-based organizations to provide eligible Veteran families with outreach, case management and assistance in obtaining VA and other benefits. Grantees may also provide time-limited payments to third parties (e.g., landlords, utility companies, moving companies and licensed child care providers) if these payments help Veterans' families stay in or acquire permanent housing on a sustainable basis.

In VA's Compensated Work Therapy/Transitional Residence (CWT/TR) Program, disadvantaged, at-risk, and homeless Veterans live in CWT/TR community-based supervised group homes while working for pay in VA's CWT Program, to learn new job skills, relearn successful work habits, and regain a sense of self-esteem and self-worth.

The Healthcare for Re-Entry Veterans (HCRV) Program offers outreach, referrals and short-term case management assistance for incarcerated Veterans who may be at risk for homelessness upon their release.

For more information on VA homeless programs and services, Veterans currently enrolled in VA health care can speak with their VA mental health or health care provider. Other Veterans and interested parties can find a complete list of VA health care facilities at www.va.gov, or they can call VA's general information hotline at 1-800-827-1000. If assistance is needed when contacting a VA facility, ask to speak to the Health Care for Homeless Veterans Program or the Mental Health service manager. Information is also available on the VA Homeless program Web-site at www.va.gov/homeless.

World War II Era Filipino Veterans

World War II era Filipino veterans are eligible for certain VA benefits. Generally, Old Philippine Scouts are eligible for VA benefits in the same manner as U.S. veterans. Commonwealth Army veterans, including certain organized Filipino guerrilla forces and New Philippine Scouts residing in the United States who are citizens or lawfully admitted for permanent residence, are also eligible for VA health care in the United States on the same basis as U.S. veterans.

Certain Commonwealth Army veterans and new Philippine Scouts may be eligible for disability compensation and burial benefits. Other veterans of recognized guerrilla groups also may be eligible for certain VA benefits. Survivors of World War II era Filipino veterans may be eligible for dependency and indemnity compensation. Eligibility and the rates of benefits vary based on the recipient’s citizenship and place of residence. Call 1-800-827-1000 for additional information.

Veterans Living or Traveling Overseas

VA monetary benefits, including disability compensation, pension, educational benefits, and burial allowances are generally payable overseas. Some programs are restricted. Home loan guaranties are available only in the United States and selected U.S. territories and possessions. Educational benefits are limited to approved, degree-granting programs in institutions of higher learning. Beneficiaries living in foreign countries should contact the nearest American embassy or consulate for help. In Canada, contact an office of Veterans Affairs Canada. For information, visit http://www.benefits.va.gov/persona/veteran-abroad.asp.

World War II Era Merchant Marine Seamen

Certain Merchant Marine seamen who served in World War II may qualify for veterans' benefits. When applying for medical care, seamen must present their discharge certificate from the Department of Defense. Call 1-800-827-1000 for help obtaining a certificate.

Allied Veterans Who Served During WWI or WWII

VA may provide medical care to certain veterans of nations allied or associated with the United States during World War I or World War II if authorized and reimbursed by the foreign government. VA also may provide hospitalization, outpatient care, and domiciliary care to former members of the armed forces of Czechoslovakia or Poland who fought in World War I or World War II in armed conflict against an enemy of the United States if they have been U.S. citizens for at least 10 years.

World War Service

A number of groups who provided military-related service to the United States can receive VA benefits. A discharge by the Secretary of Defense is needed to qualify. Service in the following groups has been certified as active military service for benefits purposes:

1. Women Air Force Service Pilots (WASPs).
2. World War I Signal Corps Female Telephone Operators Unit.
3. World War I Engineer Field Clerks.
4. Women's Army Auxiliary Corps (WAAC).
5. Quartermaster Corps female clerical employees serving with the American Expeditionary Forces in World War I.
6. Civilian employees of Pacific naval air bases who actively participated in defense of Wake Island during World War II.
7. Reconstruction aides and dietitians in World War I.
8. Male civilian ferry pilots.
9. Wake Island defenders from Guam.
10. Civilian personnel assigned to OSS secret intelligence.
11. Guam Combat Patrol.
12. Quartermaster Corps members of the Keswick crew on Corregidor during World War II.
13. U.S. civilians who participated in the defense of Bataan.
14. U.S. merchant seamen on block ships in support of Operation Mulberry in the World War II invasion of Normandy.
15. American merchant marines in oceangoing service during World War II.
16. Civilian Navy IFF radar technicians who served in combat areas of the Pacific during World War II.
17. U.S. civilians of the American Field Service who served overseas in World War I.

18. U.S. civilians of the American Field Service who served overseas under U.S. armies and U.S. army groups in World War II.
19. U.S. civilian employees of American Airlines who served overseas in a contract with the Air Transport Command between Dec. 14, 1941, and Aug. 14, 1945.
20. Civilian crewmen of U.S. Coast and Geodetic Survey vessels who served in areas of immediate military hazard while conducting cooperative operations with and for the U.S. armed forces between Dec. 7, 1941, and Aug. 15, 1945 Qualifying vessels are: the Derickson, Explorer, Gilber, Hilgard, E. Lester Jones, Lydonia Patton, Surveyor, Wainwright, Westdahl, Oceanographer, Hydrographer and Pathfinder.
21. Members of the American Volunteer Group (Flying Tigers) who served between Dec. 7, 1941, and July 18, 1942.
22. U.S. civilian flight crew and aviation ground support employees of United Air Lines who served overseas in a contract with Air Transport Command between Dec. 14, 1941, and Aug.14, 1945.
23. U.S. civilian flight crew, including pursers, and aviation ground support employees of Transcontinental and Western Air, Inc. who served overseas in a contract with the Air Transport Command between Dec. 14, 1941, and Aug. 14, 1945.
24. U.S. civilian flight crew and aviation ground support employees of Consolidated Vultee Aircraft Corp. who served overseas in a contract with Air Transport Command between Dec. 14, 1941, and Aug. 14, 1945.
25. U.S. civilian flight crew and aviation ground support employ- ees of Pan American World Airways and its subsidiaries and affiliates, who served overseas in a contract with the Air Transport Command and Naval Air Transport Service between Dec. 14, 1941, and Aug. 14, 1945.
26. Honorably discharged members of the American Volunteer Guard, Eritrea Service Command, between June 21, 1942, and March 31, 1943.
27. U.S. civilian flight crew and aviation ground support employees of Northwest Airlines who served overseas under the airline's contract with Air Transport Command from Dec. 14, 1941, through Aug. 14, 1945.
28. U.S. civilian female employees of the U.S. Army Nurse Corps who served in the defense of Bataan and Corregidor between Jan. 2, 1942, and Feb. 3, 1945.
29. U.S. flight crew and aviation ground support employees of Northeast Airlines Atlantic Division, who served overseas as a result of Northeast Airlines' contract with the Air Transport Command from Dec. 7, 1941, through Aug. 14, 1945.
30. U.S. civilian flight crew and aviation ground support employees of Braniff Airways, who served overseas in the North Atlantic or under the jurisdiction of the North Atlantic Wing, Air Transport Command, as a result of a contract with the Air Transport Command between Feb. 26, 1945, and Aug. 14, 1945.
31. Chamorro and Carolina former native police who received military training in the Donnal area of central Saipan and were placed under command of Lt. Casino of the 6th Provisional Military Police Battalion to accompany U.S. Marines on active, combat patrol from Aug. 19, 1945, to Sept. 2, 1945.
32. Three scouts/guides, Miguel Tenorio, Penedicto Taisacan, and Cristino Dela Cruz, who assisted the United States Marines in the offensive operations against the Japanese on the Northern Mariana Islands from June 19, 1944, through Sept. 2, 1945.
33. The operational Analysis Group of the Office of Scientific Re- search and Development, Office of Emergency Management, which served overseas with the U.S. Army Air Corps from Dec. 7, 1941, through Aug. 15, 1945.

34. Service as a member of the Alaska Territorial Guard during World War II or any individual who was honorably discharged under section 8147 of the Department of Defense Appropria- tions Act of 2001.

Incarcerated Veterans

VA benefits are affected if a beneficiary is convicted of a felony and imprisoned for more than 60 days. Disability or death pension paid to an incarcerated beneficiary must be discontinued. Disability compensation paid to an incarcerated Veteran rated 20 percent or more disabled is limited to the 10 percent rate. For a Veteran whose disability rating is 10 percent, the payment is reduced to half of the rate payable to a Veteran evaluated as 10 percent disabled.

Any amounts not paid may be apportioned to eligible dependents. Payments are not reduced for participants in work-release programs, residing in halfway houses or under community control.

Failure to notify VA of a Veteran's incarceration can result in overpayment of benefits and the subsequent loss of all VA financial benefits until the overpayment is recovered. VA benefits will not be provided to any Veteran or dependent wanted for an outstanding felony warrant.

The Healthcare for Reentry Veterans Program (HCRV) offers outreach to Veterans incarcerated in state and federal prisons, and referrals and short-term case management assistance upon release from prison. The Veterans Justice Outreach Program (VJO) offers outreach and case management to Veterans involved in law enforcement encounters, overseen by treatment courts, and incarcerated in local jails. Visit http://www.benefits.va.gov/persona/veteran-incarcerated.asp to locate an outreach worker.

Note: Persons convicted of a federal or state capital crime are barred from receiving VA burial benefits.

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Reserve and National Guard

Eligibility

Reservists who served on active duty establish veteran status and may be eligible for the full-range of VA benefits, depending on the length of active military service and a discharge or release from active duty under conditions other than dishonorable. In addition, reservists not activated may qualify for some VA benefits.

National Guard members can establish eligibility for VA benefits if activated for federal service during a period of war or domestic emergency. Activation for other than federal service does not qualify guard members for all VA benefits. Claims for VA benefits based on federal service filed by members of the National Guard should include a copy of the military orders, presidential proclamation or executive order that clearly demonstrates the federal nature of the service.

Health Care

Effective Jan. 28, 2008, Veterans discharged from active duty on or after Jan. 28, 2003, are eligible for enhanced enrollment placement into Priority Group 6 (unless eligible for higher Priority Group placement) for 5 years post discharge. Veterans with combat service after Nov. 11, 1998, who were discharged from active duty before Jan. 28, 2003.

Activated reservists and members of the National Guard are eligible if they served on active duty in a theater of combat operations after Nov. 11, 1998, and, have been discharged under other than dishonorable conditions.

Veterans who enroll with VA under this “Combat Veteran” authority will retain enrollment eligibility even after their five-year post discharge period ends. At the end of their post discharge period, VA will reassess the veteran’s information (including all applicable eligibility factors) and make a new enrollment decision. For additional information, call 1-877-222-VETS (8387).

Disability Benefits

VA pays monthly compensation benefits for service-connected disabilities – those incurred or aggravated during active duty and active duty for training, and for residuals of heart attack or stroke that occurred during inactive duty for training. For additional information see Chapter 2, “Veterans with Service-Connected Disabilities.”

Montgomery GI Bill – Selected Reserve

Members of reserve elements of the Army, Navy, Air Force, Marine Corps and Coast Guard, and members of the Army National Guard and the Air National Guard, may be entitled to up to 36 months of educational benefits under the Montgomery GI Bill (MGIB) – Selected Reserve. To be eligible, the participant must:

1. Have a six-year obligation in the Selected Reserve or National Guard signed after June 30, 1985, or, if an officer, agree to serve six years in addition to the original obligation.
2. Complete initial active duty for training.
3. Have a high school diploma or equivalency certificate before applying for benefits.

4. Remain in good standing in a Selected Reserve or National Guard unit.

Reserve components determine eligibility for benefits. VA does not make decisions about eligibility and cannot make payments until the reserve component has determined eligibility and notified VA.

Period of Eligibility

Benefits generally end the day a reservist or National Guard member separates from the military. Additionally, if in the Selected Reserve and called to active duty, VA can generally extend the eligibility period by the length of time on active duty plus four months for each period of active duty. Once this extension is granted, it will not be taken away after leaving the Selected Reserve.

Eligible members separated because of unit deactivation, a disability that was not caused by misconduct, or otherwise involuntarily separated during Oct. 1, 1991, through Dec. 31, 2001, have 14 years after their eligibility date to use benefits. Similarly, members involuntarily separated from the Selected Reserve due to a deactivation of their unit between Oct. 1, 2007, and Sept. 30, 2014, may receive a 14-year period of eligibility.

Payments: Part-time benefits are reduced proportionately. For complete current rates, visit http://www.benefits.va.gov/gibill/ . DOD may make additional contributions.

Training: Participants may pursue training at a college or university, or take technical training at any approved facility. Training includes undergraduate, graduate, or post-graduate courses; State licensure and certification; courses for a certificate or diploma from business, technical or vocational schools; cooperative training; apprenticeship or on-the-job training; correspondence courses; independent study programs; flight training; entrepreneurship training; remedial, deficiency or refresher courses needed to complete a program of study; or preparatory courses for tests required or used for admission to an institution of higher learning or graduate school. Accelerated payments for certain high-cost programs are authorized effective Jan. 28, 2008.

Work-Study: Participants may be eligible for a work-study program in which they work for VA and receive hourly wages. Veterans must train at the three-quarter or full-time rate. The work allowed includes:

1. Outreach services for VA.
2. VA paperwork.
3. Work at national or state veterans' cemeteries.
4. Work at VA medical centers or state veterans homes.
5. Other VA approved activities.

Counseling: VA counseling is available to help determine educational or vocational strengths and weaknesses and plan education or employment goals. Additionally, those ineligible for MGIB may still receive VA counseling beginning 180 days prior to separation from active duty through the first full year following honorable discharge.

Post-9/11 GI Bill (effective August 1, 2009)

Benefits provided through the new Post-9/11 GI Bill will be available for education or training after August 1, 2009. National Guard and Reserve members who have at least 30 days of continuous active duty service since September 11, 2001 and who have been discharged for a service-connected disability, or have a total of 90 days of active duty service and are honorably discharged for reasons like hardship may be eligible. Service members will receive up to 36

months of benefits. If you qualify for the current Montgomery GI Bill, Montgomery GI Bill – Selected Reserve or the Reserve Educational Assistance Program, you can elect to receive benefits from the Post-9/11 GI Bill.

Under this bill, you are entitled to a percentage of the following, based on your time in the service:

- Tuition and fees, not exceeding the most expensive in-state public college
- Monthly living stipend equal to the basic allowance for housing payable to an E-5 with dependents in the same zip code as the school (not available for active duty service members, those training at half time, or those taking distance learning courses)
- Annual stipend for books and supplies, not to exceed $1,000 per year (not available for active duty service members)
- One-time payment of $500 if you are relocating from certain highly rural areas

Full benefits will be available to those who have served at least 36 months of active duty or those who served at least 30 consecutive days of active duty before being discharged due to a service-connected disability. If your active duty service is less than the amount described above, you will receive a lesser percentage of the full benefits rate, down to a minimum of 40% for those with at least 90 days but less than 6 months of active duty.

Members are eligible for these benefits for 15 years from their last period of active duty of at least 90 consecutive days.

Reserve Educational Assistance Program

This program provides educational assistance to members of National Guard and reserve components – Selected Reserve and Individual Ready Reserve (IRR) – who are called or ordered to active duty service in response to a war or national emergency as declared by the president or Congress. Visit http://www.benefits.va.gov/gibill/reap.asp for more information.

Eligibility: Eligibility is determined by DOD or the Department of Homeland Security. Generally, a service member who serves on active duty on or after Sept. 11, 2001, for at least 90 consecutive days is eligible.

Payments: The educational payment rate is based on the number of continuous days of active duty service performed by the Reservist or National Guard service member. Full-time students receive payments on a monthly basis. For complete current rates, visit http://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch1607/ch1607rates100115.asp .

Home Loan Guaranty

National Guard members and reservists are eligible for a VA home loan if they have completed at least six years of honorable service, are mobilized for active duty service for a period of at least 90 days, or were discharged because of a service-connected disability.

Reservists who do not qualify for VA housing loan benefits may be eligible for loans on favorable terms insured by the Federal Housing Administration (FHA), part of HUD. Additional information can be found in Chapter 5 -- "Home Loan Guaranty" – of this publication.

Life Insurance

National Guard members and reservists are eligible to receive Service members' Group Life Insurance, Veterans' Group Life Insurance, and Family Service members' Group Life Insurance. They may also be eligible for Traumatic Service members' Group Life Insurance or Service-Disabled Veterans Insurance if called to active duty and injured with a service-connected disability, and Veterans' Mortgage Life Insurance if approved for a Specially Adapted Housing Grant. Complete details can be found in Chapter 6 -- "VA Life Insurance" – of this publication.

Burial and Memorial Benefits

VA provides a burial flag for memorialization of members or former members of the Selected Reserve who served their initial obligation, or were discharged for a disability incurred or aggravated in line of duty, or died while a member of the Selected Reserve. Information on benefits and eligibility can be found in Chapter 7 -- "Burial and Memorial Benefits" – of this publication. For these programs, VA recognizes marriages based on the law of the place where the marriage occurred. http://www.va.gov/opa/marriage/

Re-employment Rights

A person who left a civilian job to enter active duty in the armed forces is entitled to return to the job after discharge or release from active duty if they:

1. Gave advance notice of military service to the employer.
2. Did not exceed five years cumulative absence from the civilian job (with some exceptions).
3. Submitted a timely application for re-employment.
4. Did not receive a dishonorable or other punitive discharge.

The law calls for a returning veteran to be placed in the job as if they had never left, including benefits based on seniority such as pensions, pay increases and promotions. The law also prohibits discrimination in hiring, promotion or other advantages of employment on the basis of military service.

Veterans seeking re-employment should apply, verbally or in writing, to the company's hiring official and keep a record of their application. If problems arise, contact the Department of Labor's Veterans' Employment and Training Service (VETS) in the state of the employer.

Federal employees not properly re-employed may appeal directly to the Merit Systems Protection Board. Non-federal employees may file complaints in U.S. District Court. For information, visit: http://www.dol.gov/vets/programs/userra/main.htm.

National Guard Transition Assistance Advisors

The Transition Assistance Advisor (TAA) program within the National Guard (NG) Office of Warrior Support places a NG/VA trained expert at the NG Headquarters in each of the 50 states and PR, GU, VI and District of Columbia, as an advocate for Guard members and their families as well as other geographically dispersed military members and families. In collaboration with state directors of Veterans Affairs and other state and local coalition partners, the Transition Assistance Advisor provides enrollment, referrals and facilitates access for Veterans through the overwhelming maze of programs, with the compassion of someone who knows what it's like to transition from Guard to active duty and to civilian status. Transition Assistance Advisors receive annual training by VA experts in VA health care and benefits to assist Guard members and their families with access to VA health care facilities and TRICARE facilities within their network. To find a local Transition Assistance Advisor call 1-877- 577-6691 or go to https://www.jointservicessupport.org/ResourceFinder/SearchResource.aspx.

Outreach for OEF/OIF (New Dawn) Veterans

VA's OEF/OIF New Dawn Outreach Teams focus on improving outreach to members of the National Guard and Reserve by engaging Guard members throughout the deployment cycle with targeted messages and face-to-face encounters with VA staff. These Teams are located at VA Medical centers to help ease the transition from military to civilian life. Cost-free VA health care and medications may be provided for conditions potentially related to combat service, including full access to VA's medical benefits package. To learn more, visit www.oefoif.va.gov.

When separating from active service, OEF/OIF Veterans are eligible for a one-time dental evaluation and treatment, if the Veteran did not have any dental treatment in theater. Veterans must call to request a dental appointment within the first 180 days post separation from active duty.

Veterans can also call the toll-free OEF/OIF New Dawn Help Line at 1-866-606-8216 for answers to questions about VA benefits, health care and enrollment procedures.

Air Reserve Personnel Center

The Air Reserve Personnel Center (ARPC): http://www.arpc.afrc.af.mil/ is available to assist with various personnel issues to include requests for personnel records, DD214's or any other military documents. Many Veterans file an Air Force Board Correction of Military Records (AFBCMR) or write their Congressman to get these basic issues resolved. These methods must be routed through appropriate authorities therefore they can take up to as long as 180 days to complete. The ARPC can routinely handle these actions much quicker. Members should call the ARPC for assistance at 1-800-525-0102.

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Burial and Memorial Benefits

Eligibility

Veterans discharged from active duty under conditions other than dishonorable and servicemembers who die while on active duty, active duty for training, or inactive duty training, as well as spouses and dependent children of Veterans and active duty servicemembers, may be eligible for VA burial and memorial benefits including burial in a national cemetery, a headstone to mark the grave of a Veteran interred in a private cemetery or a Presidential Memorial Certificate for loved ones. The Veteran does not have to die before a spouse or dependent child can be eligible. Currently, under federal statute, the VA recognizes all marriages performed in the state of residence when that state considers the marriage legal. Marriages performed in a state other than the state of residence may not be recognized.

With certain exceptions, active duty service beginning after Sept. 7, 1980, as an enlisted person, and after Oct. 16, 1981, as an officer, must be for a minimum of 24 consecutive months or the full period of active duty (as in the case of reservists or National Guard members called to active duty for a limited duration). Active duty for training, by itself, while serving in the reserves or National Guard, is not sufficient to confer eligibility. Reservists and National Guard members, as well as their spouses and dependent children, are eligible if they were entitled to retired pay at the time of death, or would have been upon reaching requisite age. See Chapter 8 for more information.

VA's National Cemetery Scheduling Office or local national cemetery directors verify eligibility for burial. A copy of the Veteran's discharge document that specifies the period(s) of active duty and character of service is usually sufficient to determine eligibility. In some instances, a copy of the deceased's death certificate and proof of relationship to the Veteran (for eligible family members) may be required.

Under Section 2411 of Title 38 of the United States Code, certain otherwise eligible individuals found to have committed federal or state capital crimes are barred from burial or memorialization in a VA national cemetery, and from receipt of Government-furnished headstones, markers, medallions, burial flags, and Presidential Memorial Certificates. Veterans and other claimants for VA burial benefits have the right to appeal decisions made by VA regarding eligibility for national cemetery burial or other memorial benefits. Chapter 13 discusses the procedures for appealing VA claims. This chapter contains information on the full range of VA burial and memorial benefits. Readers with questions may contact the nearest national cemetery, listed by state in the VA Facilities section of this book, call 1-800-827-1000, or visit the web site at http://www.cem.va.gov/cem/cems/listcem.asp.

VA National Cemeteries

Burial in a VA national cemetery is available for eligible Veterans, their spouses and dependents at no cost to the family and includes the gravesite, grave-liner, opening and closing of the grave, a headstone or marker, and perpetual care as part of a national shrine. For Veterans, benefits may also include a burial flag (with case for active duty), and military funeral honors. Family members and other loved ones of deceased Veterans may request Presidential Memorial Certificates.

VA operates 131 national cemeteries, of which 72 are open for new casketed interments and 18 are open to accept only cremated remains. Burial options are limited to those available at a specific cemetery and may include in-ground casket, or interment of cremated remains in a columbarium, in-ground or in a scattering garden. Contact the national

cemetery directly, or visit our Web site at: http://www.cem.va.gov/cem/cems/listcem.asp to determine if a particular cemetery is open for new burials, and which other options are available.

The funeral director or the next of kin makes interment arrangements by contacting the National Cemetery Scheduling Office or, in some cases, the national cemetery in which burial is desired. VA does not normally conduct burials on weekends. Gravesites cannot be reserved; however, VA will honor reservations made before 1973 by the Department of the Army.

Surviving spouses of Veterans who died on or after Jan. 1, 2000, do not lose eligibility for burial in a national cemetery if they remarry. Burial of dependent children is limited to unmarried children under 21 years of age, or under 23 years of age if a full-time student at an approved educational institution. Unmarried adult children who become physically or mentally disabled and incapable of self-support, before age 21, or age 23 if a full-time student; also are eligible for burial.

Headstones and Markers

Headstones, Markers and Medallions: Veterans, active duty servicemembers, and retired Reservists and National Guard servicemembers are eligible for an inscribed headstone or marker for their grave at any cemetery – national, state veterans, tribal Veterans, or private. VA will deliver a headstone or marker at no cost, anywhere in the world. For eligible Veterans whose deaths occurred on or after November 1, 1990, VA may furnish a government headstone or marker even if the grave is already marked with a private one, or VA may furnish a medallion instead of a headstone or marker for Veterans' graves in private cemeteries when the grave is already marked with a privately-purchased headstone or marker. Spouses and dependent children are eligible for a government headstone or marker only if they are buried in a national, State, or tribal Veterans cemetery.

Flat markers are available in bronze, granite or marble. Upright headstones come in granite or marble. In national cemeteries, the style provided will be consistent with existing monuments at the place of burial. Niche markers are available to mark columbaria used for inurnment of cremated remains. Medallions are made of bronze and are available in three sizes: 5-inch, 3-inch, and 1 ½-inch.

Headstones, markers and medallions previously furnished by the government may be replaced at the government's expense if badly deteriorated, illegible, vandalized or stolen. To check the status of a claim for a headstone or marker for placement in a national, state or tribal Veterans cemetery, please call the cemetery. To check the status of one being placed in a private cemetery, please call 1-800-697-6947.

Inscription: Headstones and markers must be inscribed with the name of the deceased, branch of service, and year of birth and death. They also may be inscribed with other markings, including an authorized emblem of belief and, space permitting, additional text including military rank; war service such as “World War II;” complete dates of birth and death; military awards; military organizations; civilian or veteran affiliations; and words of endearment.

Private Cemeteries: To submit a claim for a headstone, marker or medallion for use in a private cemetery, mail a completed VA Form 40-1330 Application for Standard Government Headstone or Marker (available at www.va.gov/vaforms/va/pdf/VA40-1330.pdf), and a copy of the Veteran's military discharge document to Memorial Programs Service (41A1), Department of Veterans Affairs, 5109 Russell Road., Quantico, VA 22134-3903. The form and supporting documents may also be faxed toll free to 1-800-455-7143.

For veteran deaths occurring on or after Sept. 11, 2001, VA will provide a government headstone or marker even if the grave is already marked with a private one. Before ordering, check with the cemetery to ensure that the additional headstone or marker will be accepted. Any placement fee will not be reimbursed by VA.

Before ordering, check with the cemetery to ensure that the Government-furnished headstone or marker will be accepted. All installation fees at private cemeteries are the responsibility of the applicant.

"**In Memory Of" Markers:** "In Memory Of" Markers: VA provides memorial headstones and markers with "In Memory Of" as the first line of inscription, to memorialize those whose remains have not been recovered or identified, were buried at sea, donated to science or cremated and scattered. Eligibility requirements are the same as for regular headstones and markers. There is no fee when the "In Memory Of" marker is placed in a national cemetery. All installation fees at private cemeteries are the responsibility of the applicant.

Presidential Memorial Certificates

Medallions in Lieu of Government Headstone/Marker: For Veterans whose deaths occurred on or after Nov. 1, 1990, Public Law 110-157, enacted December 26, 2007, expanded VA authority to provide a medallion instead of a headstone or marker for Veteran's graves in private cemeteries when the grave is already marked with a privately-purchased headstone or marker. Claimants may apply for either a Government furnished headstone or marker to place on the grave, or a medallion to affix to a privately-purchased headstone or marker.

Presidential Memorial Certificates are issued upon request to recognize the United States military service of honorably discharged deceased Veterans. Next of kin, relatives and other loved ones may apply for a certificate by mailing, or faxing a completed and signed VA Form 40-0247 along with a copy of the Veteran's military discharge documents or proof of honorable military service. The processing of requests sent without supporting documents will be delayed until eligibility can determined.

Information and a sample certificate can be found at http://www.cem.va.gov/cem/pmc.asp.

Burial Flags

Generally, VA will furnish a U.S. burial flag to memorialize Veterans who received an other than dishonorable discharge. This includes certain persons who served in the organized military forces of the Commonwealth of the Philippines while in service of the U.S Armed forces and who died on or after April 25, 1951. Also eligible for a burial flag are Veterans who were entitled to retired pay for service in the Reserve or National Guard, or would have been entitled if over age 60; and members or former members of the Selected Reserve who served their initial obligation, or were discharged for a disability incurred or aggravated in the line of duty, or died while a member of the Selected Reserve.

The next of kin may apply for the flag at any VA regional office or U.S. Post Office by completing VA Form 21-2008, Application for United States Flag for Burial Purposes, available at http://www.vba.va.gov/pubs/forms/VBA-27-2008-ARE.pdf. In most cases, a funeral director will help the family obtain the flag.

Reimbursement of Burial Expenses

VA will pay a burial allowance up to $2,000 if the veteran's death is service-connected. In such cases, the person who bore the veteran's burial expenses may claim reimbursement from VA.

In some cases, VA will pay the cost of transporting the remains of a service-connected veteran to the nearest national cemetery with available gravesites. There is no time limit for filing reimbursement claims in service-connected death cases.

Burial Allowance: VA will pay a $300 burial and funeral allowance for veterans who, at time of death, were entitled to receive pension or compensation or would have been entitled if they weren't receiving military retirement pay. Eligibility also may be established when death occurs in a VA facility, a VA-contracted nursing home or a state veterans nursing home. In non service-connected death cases, claims must be filed within two years after burial or cremation.

Plot Allowance: VA will pay a plot allowance when a Veteran is buried in a cemetery not under U.S. government jurisdiction if: the Veteran was discharged from active duty because of disability incurred or aggravated in the line of duty; the Veteran was receiving compensation or pension or would have been if the Veteran was not receiving military retired pay; or the Veteran died in a VA facility. The plot allowance may be paid to the State for the cost of a plot or interment in a State-owned cemetery reserved solely for Veteran burials if the Veteran is buried without charge. Burial expenses paid by the deceased's employer or a state agency will not be reimbursed.

Military Funeral Honors

Upon request, DOD will provide military funeral honors consisting of folding and presentation of the United States flag and the playing of "Taps." A funeral honors detail consists of two or more uniformed members of the armed forces, with at least one member from the deceased's branch of service.

Family members should inform their funeral directors if they want military funeral honors. DOD maintains a toll-free number (1-877-MIL-HONR) for use by funeral directors only to request honors. VA can help arrange honors for burials at VA national cemeteries. Veterans' service organizations or volunteer groups may help provide honors. For more information, visit https://www.dmdc.osd.mil/mfh/.

Veterans Cemeteries Administered by Other Agencies

Arlington National Cemetery: Administered by the Department of the Army. Eligibility is more restrictive than at VA national cemeteries. For information, call (703) 607-8000, write Superintendent, Arlington National Cemetery, Arlington, VA 22211, or visit http://www.arlingtoncemetery.org/.

State Veterans Cemeteries: Eighty-three State Veterans cemeteries offer burial options for Veterans and their families. These cemeteries have similar eligibility requirements but many require State residency. Some services, particularly for family members, may require a fee. Contact the State cemetery or State Veterans affairs office for information. To locate a State Veterans cemetery visit: http://www.cem.va.gov/cem/cems/listcem.asp.

Department of the Interior: Administers two active national cemeteries: Andersonville National Cemetery in Georgia and Andrew Johnson National Cemetery in Tennessee. Eligibility is similar to VA national cemeteries.

12

Education and Training

This chapter provides a summary of VA education and training benefits. Additional information can be found at: http://www.gibill.va.gov/ or by calling 1-888-GI-BILL-1 (1-888-442-4551).

Montgomery GI Bill (MGIB)

Eligibility: VA educational benefits may be used while the service-member is on active duty or after the service member's separation from active duty with a fully honorable military discharge. Discharges "under honorable conditions" and "general" discharges do not establish eligibility.

Eligibility generally expires 10 years after the service member's discharge. However, there are exceptions for disability, re-entering active duty, and upgraded discharges.

All participants must have a high school diploma, equivalency certificate, or completed 12 hours toward a college degree before applying for benefits.

Previously, service members had to meet the high school requirement before they completed their initial active duty obligation. Those who did not may now meet the requirement and reapply for benefits. If eligible, they must use their benefits either within 10 years from the date of last discharge from active duty or by Nov. 2, 2010, whichever is later.

Additionally, every veteran must establish eligibility under one of four categories.

Category 1 – Service after June 30, 1985

For Veterans who entered active duty for the first time after June 30, 1985, did not decline MGIB in writing, and had their military pay reduced by $100 a month for 12 months. Servicemembers can apply after completing two continuous years of service. Veterans must have completed three continuous years of active duty, or two continuous years of active duty if they first signed up for less than three years or have an obligation to serve four years in the Selected Reserve (the 2x4 program) and enter the Selected Reserve within one year of discharge.

Service members or veterans who received a commission as a result of graduation from a service academy or completion of an ROTC scholarship are not eligible under Category 1 unless they received their commission:

1. After becoming eligible for MGIB benefits (including completing the minimum service requirements for the initial period of active duty).
2. Or after Sept. 30, 1996, and received less than $3,400 during any one year under ROTC scholarship.

Service members or veterans who declined MGIB because they received repayment from the military for education loans are also ineligible under Category 1. If they did not decline MGIB and received loan repayments, the months served to repay the loans will be deducted from their entitlement.

Early Separation: Service members who did not complete the required period of military service may be eligible under Category 1 if discharged for one of the following:

1. Convenience of the government—with 30 continuous months of service for an obligation of three or more years, or 20 continuous months of service for an obligation of less than three years.
2. Service-connected disability.
3. Hardship.
4. A medical condition diagnosed prior to joining the military.
5. A condition that interfered with performance of duty and did not result from misconduct.
6. A reduction in force (in most cases).
7. Sole Survivorship (if discharged after 9/11/01)

Category 2 – Vietnam Era GI Bill Conversion

For veterans who had remaining entitlement under the Vietnam Era GI Bill on Dec. 31, 1989, and served on active duty for any number of days during the period Oct. 19, 1984, to June 30, 1985, for at least three continuous years beginning on July 1, 1985; or at least two continuous years of active duty beginning on July 1, 1985, followed by four years in the Selected Reserve beginning within one year of release from active duty.

Veterans not on active duty on Oct. 19, 1984, may be eligible under Category 2 if they served three continuous years on active duty beginning on or after July 1, 1985, or two continuous years of active duty at any time followed by four continuous years in the Selected Reserve beginning within one year of release from active duty.

Veterans are barred from eligibility under Category 2 if they received a commission after Dec. 31, 1976, as a result of graduation from a service academy or completion of an ROTC scholarship.

However, such a commission is not a bar if they received the commission after becoming eligible for MGIB benefits, or received the commission after Sept. 30, 1996, and received less than $3,400 during any one year under ROTC scholarship.

Category 3 – Involuntary Separation/Special Separation

For veterans who meet one of the following requirements:

1. Elected MGIB before being involuntarily separated.
2. Or were voluntarily separated under the Voluntary Separation Incentive or the Special Separation Benefit program, elected MGIB benefits before being separated, and had military pay reduced by $1,200 before discharge.

Category 4 –Veterans' Educational Assistance Program (VEAP)

For veterans who participated in the Veterans Educational Assistance Program (VEAP) and:

1. Served on active duty on Oct. 9, 1996.
2. Participated in VEAP and contributed money to an account.
3. Elected MGIB by Oct. 9, 1997, and paid $1,200.

Veterans who participated in VEAP on or before Oct. 9, 1996, may also be eligible even if they did not deposit money in a VEAP account if they served on active duty from Oct. 9, 1996, through April 1, 2000, elected MGIB by Oct. 31, 2001, and contributed $2,700 to MGIB.

Certain National Guard service members may also qualify under Category 4 if they:

1. Served for the first time on full-time active duty in the National Guard between June 30, 1985, and Nov. 29, 1989, and had no previous active duty service.
2. Elected MGIB during the nine-month window ending on July 9, 1997.
3. And paid $1,200.

Benefits are reduced for part-time training. Payments for other types of training follow different rules. VA will pay an additional amount, called a "kicker" or "college fund," if directed by DOD. Visit www.gibill.va.gov for more information. The maximum number of months Veterans can receive payments is 36 months at the full-time rate or the part-time equivalent.

The following groups qualify for the maximum: Veterans who served the required length of active duty, Veterans with an obligation of three years or more who were separated early for the convenience of the government and served 30 continuous months, and Veterans with an obligation of less than three years who were separated early for the convenience of the government and served 20 continuous months.

Types of Training Available: The following types of training are available:

1. Courses at colleges and universities leading to associate, bachelor or graduate degrees, including accredited independent study offered through distance education.
2. Courses leading to a certificate or diploma from business, technical or vocational schools.
3. Apprenticeship or on-the-job training for those not on active duty, including self-employment training begun on or after June 16, 2004, for ownership or operation of a franchise.
4. Correspondence courses, under certain conditions.
5. Flight training, if the veteran holds a private pilot’s license upon beginning the training and meets the medical requirements.
6. State-approved teacher certification programs.
7. Preparatory courses necessary for admission to a college or graduate school.
8. License and certification tests approved for veterans.
9. Entrepreneurship training courses to create or expand small businesses.
10. Tuition assistance using MGIB as “Top-Up” (active duty service members).

Work-Study Program: Veterans who train at the three-quarter or full-time rate may be eligible for a work-study program in which they work for VA and receive hourly wages. The types of work allowed include:

1. Working in Veterans-related position at schools or other training facilities. Providing hospital or domiciliary care at a state home.
2. Working at national or state Veterans' cemeteries.

3. Various jobs within any VA facility.
4. Providing assistance in obtaining a benefit under title 38 U.S.C. at a state Veterans agency.
5. Assisting in the administration of chapters 1606 or 1607 of title 10 U.S.C. at a Department of Defense, Coast Guard, or National Guard facility.
6. Working in a Center for Excellence for Veterans Student Success.

Educational and Vocational Counseling: The Vocational Rehabilitation and Employment (VR&E) Program provides educational and vocational counseling to Servicemembers, Veterans, and certain dependents (U.S.C. Title 38, Section 3697) at no charge. These counseling services are designed to help an individual choose a vocational direction, determine the course needed to achieve the chosen goal, and evaluate the career possibilities open to them.

Assistance may include interest and aptitude testing, occupational exploration, setting occupational goals, locating the right type of training program, and exploring educational or training facilities which can be utilized to achieve an occupational goal.

Counseling services include, but are not limited to, educational and vocational counseling and guidance; testing; analysis of and recommendations to improve job-marketing skills; identification of employment, training, and financial aid resources; and referrals to other agencies providing these services.

Eligibility: Educational and vocational counseling services are available during the period the individual is on active duty with the armed forces and within 180 days of the estimated date of his or her discharge or release from active duty. The projected discharge must be under conditions other than dishonorable.

Servicemembers are eligible even if they are only considering whether or not they will continue as members of the armed forces. Veterans are eligible if not more than one year has elapsed since the date they were last discharged or released from active duty. Individuals who are eligible for VA education benefits may receive educational and vocational counseling at any time during their eligibility period. This service is based on having eligibility for a VA program such as Chapter 30 (Montgomery GI Bill); Chapter 31 (Vocational Rehabilitation and Employment); Chapter 32 (Veterans Education Assistance Program – VEAP); Chapter 33 (Post-9/11 GI Bill); Chapter 35 (Dependents' Educational Assistance Program) for certain spouses and dependent children; Chapter 18 (Spina Bifida Program) for certain dependent children; and Chapter 1606 and 1607 of Title 10.

Veterans and Servicemembers may apply for counseling services using VA Form 28-8832, Application for Counseling. Veterans and Servicemembers may also write a letter expressing a desire for counseling services.

Upon receipt of either type of request for counseling from an eligible individual, an appointment for counseling will be scheduled. Counseling services are provided to eligible persons at no charge.

Veterans' Educational Assistance Program Eligibility: Active duty personnel could participate in the Veterans' Educational Assistance Program (VEAP) if they entered active duty for the first time after Dec. 31, 1976, and before July 1, 1985, and made a contribution prior to April 1, 1987. The maximum contribution is $2,700. Active duty participants may make a lump-sum contribution to their VEAP account. For more information, visit the Web site at http://www.benefits.va.gov/gibill/veap.asp.

Service members who participated in VEAP are eligible to receive benefits while on active duty if:

1. At least 3 months of contributions are available, except for high school or elementary, in which only one month is needed.

2. And they enlisted for the first time after Sept. 7, 1980, and completed 24 months of their first period of active duty.

Service members must receive a discharge under conditions other than dishonorable for the qualifying period of service. Service members who enlisted for the first time after Sept. 7, 1980, or entered active duty as an officer or enlistee after Oct. 16, 1981, must have completed 24 continuous months of active duty, unless they meet a qualifying exception.

Eligibility generally expires 10 years from release from active duty, but can be extended under special circumstances.

Payments: DoD will match contributions at the rate of $2 for every $1 put into the fund and may make additional contributions, or "kickers," as necessary. For training in college, vocational or technical schools, the payment amount depends on the type and hours of training pursued. The maximum amount is $300 a month for full-time training.

Training, Work-Study, Counseling: VEAP participants may receive the same training, work-study benefits and counseling as provided under the Montgomery GI Bill.

Overview of Education Benefits

Post 9/11 GI Bill

Eligibility: The Post- 9/11 GI Bill is an education benefit program for Servicemembers and Veterans who served on active duty after Sept. 10, 2001. Benefits are payable for training pursued on or after Aug. 1, 2009. No payments can be made under this program for training pursued before that date.

To be eligible, the Servicemember or Veteran must serve at least 90 aggregate days on active duty after Sept. 10, 2001, and remain on active duty or be honorably discharged. Active duty includes active service performed by National Guard members under title 32 U.S.C. for the purposes of organizing, administering, recruiting, instructing, or training the National Guard; or under section 502(f) for the purpose of responding to a national emergency.

Veterans may also be eligible if they were honorably discharged from active duty for a service-connected disability after serving 30 continuous days after Sept. 10, 2001. Generally, Servicemembers or Veterans may receive up to 36 months of entitlement under the Post-9/11 GI Bill.

Eligibility for benefits expires 15 years from the last period of active duty of at least 90 consecutive days. If released for a service-connected disability after at least 30 days of continuous service, eligibility ends 15 years from when the member is released for the service-connected disability.

If, on Aug.1, 2009, the Servicemember or Veteran is eligible for the Montgomery GI Bill; the Montgomery GI Bill – Selected Reserve; or the Reserve Educational Assistance Program, and qualifies for the Post-9/11 GI Bill, an irrevocable election must be made to receive benefits under the Post-9/11 GI Bill.

In most instances, once the election to receive benefits under the Post-9/11 GI Bill is made, the individual will no longer be eligible to receive benefits under the relinquished program.

Based on the length of active duty service, eligible participants are entitled to receive a percentage of the following:

1. Full cost of in-state tuition and fees at public institutions and as of the 2013-14 academic year, up to $20,235.02 towards tuition and fee costs at private and foreign institutions (paid directly to the school). These

benefits are scheduled to increase annually indexed to the rising costs of tuition and fees. For current rates visit: http://www.benefits.va.gov/gibill/resources/benefits_resources/rate_tables.asp#Ch30

2. Monthly housing allowance equal to the basic allowance for housing payable to a military E-5 with dependents, in the same zip code as the primary school (paid directly to the Servicemember, Veteran, or eligible dependents). For this program, VA recognizes marriages based on the law of the place where the marriage occurred. http://www.va.gov/opa/marriage/
3. Yearly books and supplies stipend of up to $1,000 per year (paid directly to the Servicemember, Veteran, or eligible dependents).
4. A one-time payment of $500 paid to certain individuals relocating from highly rural areas.

* The housing allowance is not payable to individuals pursuing training at half time or less.

Approved training under the Post-9/11 GI Bill includes graduate and undergraduate degrees, vocational/technical training, on-the-job training, flight training, correspondence training, licensing and national testing programs, and tutorial assistance.

Montgomery GI Bill – Active Duty (Chapter 30)

Educational Assistance Allowance for trainees under the Montgomery GI Bill - Active Duty (Ch. 30 of title 38 U.S.C.): For current rates, visit: http://www.benefits.va.gov/gibill/resources/benefits_resources/rate_tables.asp#Ch30

For trainees on active duty, payment is limited to reimbursement of tuition and fees for the training taken.

If you participated in the "$600.00 buy-up," rates can be found HERE.

Beginning August 1, 2011, break (or interval pay) will no longer be payable under MGIB-AD except during periods your school is closed as a result of an Executive Order of the President or an emergency (such as a natural disaster or strike). For example, if your Fall term ends on December 15th and your Spring term begins January 10th, your January housing allowance will cover 15 days in December and your February housing allowance will cover 21 days in January.

The MGIB program provides up to 36 months of education benefits. This benefit may be used for degree and certificate programs, flight training, apprenticeship/on-the-job training and correspondence courses. Remedial, deficiency, and refresher courses may be approved under certain circumstances. *Generally, benefits are payable for 10 years following your release from active duty.*

Veterans Educational Assistance Program (VEAP)

VEAP is available if you elected to make contributions from your military pay to participate in this education benefit program. Your contributions are matched on a $2 for $1 basis by the Government. You may use these benefits for degree, certificate, correspondence, apprenticeship/on-the-job training programs, and vocational flight training programs. In certain circumstances, remedial, deficiency, and refresher training may also be available.

Benefit entitlement is 1 to 36 months depending on the number of monthly contributions. You have 10 years from your release from active duty to use VEAP benefits. If there is entitlement not used after the 10-year period, your portion remaining in the fund will be automatically refunded.

Survivors' and Dependents' Educational Assistance Program (DEA)

Dependents' Educational Assistance provides education and training opportunities to eligible dependents of certain veterans. The program offers up to 45 months of education benefits. These benefits may be used for degree and certificate programs, apprenticeship, and on-the-job training. If you are a spouse, you may take a correspondence course. Remedial, deficiency, and refresher courses may be approved under certain circumstances. For this program, VA recognizes marriages based on the law of the place where the marriage occurred. http://www.va.gov/opa/marriage/.

Special Restorative Training is available to persons eligible for DEA benefits. The Department of Veterans Affairs may prescribe special restorative training where needed to overcome or lessen the effects of a physical or mental disability for the purpose of enabling an eligible person to pursue a program of education, special vocational program or other appropriate goal. Medical care and treatment or psychiatric treatment is not included. Contact your local VA office for more information.

Special Vocational Training is also available to persons eligible for DEA benefits. This type of program may be approved for an eligible person who is not in need of Special Restorative Training, but who requires such a program because of a mental or physical handicap. Contact your local VA office for more information.

Please note: Section 301 of Public Law 109-461 adds a new category to the definition of "eligible person" for DEA benefits. The new category includes the spouse or child of a person who:

- VA determines has a service-connected permanent and total disability; and
- at the time of VA's determination is a member of the Armed Forces who is hospitalized or receiving outpatient medical care, services, or treatment; and
- is likely to be discharged or released from service for this service-connected disability.

Persons eligible under this new provision may be eligible for DEA benefits effective December 23, 2006, the effective date of the law.

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Home Loan Guaranty

VA home loan guaranties are issued to help eligible service members, veterans, reservists and unmarried surviving spouses to obtain homes, condominiums, residential cooperative housing units, and manufactured homes, and to refinance loans. For additional information or to obtain VA loan guaranty forms, visit http://www.benefits.va.gov/homeloans/.

Loan Uses

A VA guaranty helps protect lenders from loss if the borrower fails to repay the loan. It can be used to obtain a loan to:

1. Buy or build a home.
2. Buy a residential condominium.
3. Repair, alter or improve a home owned by the Veteran and occupied as a home.
4. Refinance an existing home loan.
5. Buy a manufactured home and/or lot.
6. Install a solar heating or cooling system or other energy-efficient improvements.

Eligibility: In addition to the periods of eligibility and conditions of service requirements, applicants must have a good credit rating, sufficient income, a valid Certificate of Eligibility, and agree to live in the property.

Active duty Servicemembers and Veterans can apply online at https://www.ebenefits.va.gov/ebenefits-portal/ebenefits.portal. Although it's preferable to apply electronically, it is possible to apply for a COE using VA Form 26-1880, Request for Certificate of Eligibility.

In applying for a hard-copy COE from the VA Eligibility Center, it is typically necessary that the eligible Veteran present a copy of his/her report of discharge or DD Form 214 Certificate of Release or Discharge From Active Duty or other adequate substitute evidence to VA. An eligible active duty Servicemember should obtain and submit to the VA Eligibility Center a statement of service signed by an appropriate military official. A completed VA Form 26-1880 and any associated documentation should be mailed to Atlanta Regional Loan Center, Attn: COE (262), P.O. Box 100034, Decatur, GA 30031.

Please note that while VA's Internet-based system can establish eligibility and issue an online COE in a matter of seconds, not all cases can be processed online. The system can only process those cases for which VA has sufficient data in its records.

Eligibility

Eligibility is generally set by period of service according to the outline below.

World War II: (1) active duty service after Sept. 15, 1940, and prior to July 26, 1947; (2) discharge under other than dishonorable conditions; and (3) at least 90 days total service unless discharged early for a service-connected disability.

Post-World War II: (1) active duty service after July 25, 1947, and prior to June 27, 1950; (2) discharge under other than dishonorable conditions; and (3) 181 days continuous active duty service unless discharged early for a service-connected disability.

Korean War: (1) active duty after June 26, 1950, and prior to Feb. 1, 1955; (2) discharge under other than dishonorable conditions; and (3) at least 90 days total service, unless discharged early for a service-connected disability.

Post-Korean War: (1) active duty between Jan. 31, 1955, and Aug. 5, 1964; (2) discharge under conditions other than dishonorable; (3) 181 days continuous service, unless discharged early for a service-connected disability.

Vietnam: (1) active duty after Aug. 4, 1964, and prior to May 8, 1975; (2) discharge under conditions other than dishonorable; and (3) 90 days total service, unless discharged early for a service-connected disability. For veterans who served in the Republic of Vietnam, the beginning date is Feb. 28, 1961.

Post-Vietnam: (1) active duty after May 7, 1975, and prior to Aug. 2, 1990; (2) active duty for 181 continuous days, all of which occurred after May 7, 1975; and (3) discharge under conditions other than dishonorable or early discharge for service-connected disability.

24-Month Rule

If service was between Sept. 8, 1980, (Oct. 16, 1981, for officers) and Aug. 1, 1990, veterans must generally complete 24 months of continuous active duty service or the full period (at least 181 days) for which they were called or ordered to active duty, and be discharged under conditions other than dishonorable. Exceptions are allowed if the veteran completed at least 181 days of active duty service but was discharged earlier than 24 months for (1) hardship, (2) the convenience of the government, (3) reduction-in-force, (4) certain medical conditions, or (5) service-connected disability.

Exceptions are allowed if the veteran completed at least 90 days of active duty but was discharged earlier than 24 months for (1) hardship, (2) the convenience of the government, (3) reduction-in-force, (4) certain medical conditions, or (5) service-connected disability. Reservists and National Guard members are eligible if they were activated after Aug. 1, 1990, served at least 90 days, and received an honorable discharge.

Gulf War: Veterans of the Gulf War era, August 2, 1990 to a date to be determined, must generally complete 24 months of continuous active duty service or the full period (at least 90 days) for which they were called to active duty, and be discharged under conditions other than dishonorable.

Active Duty Personnel: Until the Gulf War era is ended, persons on active duty are eligible after serving 90 continuous days.

Reserves and/or Guard (not activated): Members of the Reserves and National Guard who are not otherwise eligible for loan guaranty benefits are eligible upon completion of 6 years service in the Reserves or Guard (unless released earlier due to a service-connected disability). The applicant must have received an honorable (a general or under honorable conditions is not qualifying) discharge from such service unless he or she is either in an inactive status awaiting final discharge, or still serving in the Reserves or Guard.

Surviving Spouses

Some spouses of Veterans may have home loan eligibility. They are:

- the unmarried surviving spouse of a Veteran who died as a result of service or service-connected causes
- the surviving spouse of a Veteran who dies on active duty or from service-connected causes, who remarries on or after attaining age 57 and on or after Dec. 16, 2003
- the spouse of an active duty member who is listed as missing in action (MIA) or a prisoner of war (POW) for at least 90 days.
- Eligibility under this MIA/POW provision is limited to one-time use only.

Surviving spouses of Veterans who died from non service-connected causes may also be eligible if any of the following conditions are met:

- The Veteran was rated totally disabled for 10 years or more immediately preceding death, or
- The Veteran was rated totally disabled for not less than five years from date of discharge or release from active duty to date of death, or
- The Veteran was a former prisoner of war who died after Sept. 30, 1999, and was rated totally disabled for not less than one year immediately preceding death.

Under the Home Loan Guaranty Program, VA does not make loans to Veterans and Servicemembers; VA guarantees loans made by private-sector lenders. The guaranty amount is what VA could pay a lender should the loan go to foreclosure.

VA's guaranteed home loans have no maximum loan amount, only a maximum guaranty amount, which is set in law. However, due to secondary market requirements, lenders typically require that the VA guaranty, plus any down payment provided by a Veteran, total 25 percent of the loan amount. As a result, an amount equal to four times VA's maximum guaranty amount is customarily referred to as a "loan limit." Loans for the loan limit or less are typically available to Veterans with no down payment; loans for more than the loan limit generally require down payments. VA's maximum guaranty amounts are established annually, and vary, depending on the size of the loan and the location of the property.

An eligible borrower can use a VA-guaranteed Interest Rate Reduction Refinancing Loan to refinance an existing VA loan to lower the interest rate and payment. Typically, no credit underwriting is required for this type of loan. The loan may include the entire outstanding balance of the prior loan, the costs of energy-efficient improvements, as well as closing costs, including up to two discount points.

An eligible borrower who wishes to obtain a VA-guaranteed loan to purchase a manufactured home or lot can borrow up to 95 percent of the home's purchase price. The amount VA will guarantee on a manufactured home loan is 40 percent of the loan amount or the Veteran's available entitlement, up to a maximum amount of $20,000. These provisions apply only to a manufactured home that will not be placed on a permanent foundation.

VA Appraisal

No loan can be guaranteed by VA without first being appraised by a VA-assigned fee appraiser. A lender can request a VA appraisal through VA systems. The Veteran borrower typically pays for the appraisal upon completion, according to a fee schedule approved by VA. This VA appraisal estimates the value of the property. It is not an inspection and does not guarantee the house is free of defects. VA guarantees the loan, not the condition of the property. A thorough inspection of the property by a reputable inspection firm may help minimize any problems that could arise after loan

closing. In an existing home, particular attention should be given to plumbing, heating, electrical, and roofing components.

Closing Costs

For purchase home loans, payment in cash is required on all closing costs, including title search and recording fees, hazard insurance premiums and prepaid taxes. For refinancing loans, all such costs may be included in the loan, as long as the total loan does not exceed the reasonable value of the property. Interest rate reduction loans may include closing costs, including a maximum of two discount points.

A funding fee must be paid to VA unless the Veteran is exempt from such a fee. [See previous discussion in Closing Costs for specific exemptions from the funding fee]. The fee may be paid in cash or included in the loan. Closing costs such as VA appraisal, credit report, loan processing fee, title search, title insurance, recording fees, transfer taxes, survey charges, or hazard insurance may not be included for purchase home loans.

All Veterans, except those receiving VA disability compensation, those who are rated by VA as eligible to receive compensation as a result of pre-discharge disability examination and rating, and unmarried surviving spouses of Veterans who died in service or as a result of a service-connected disability, are charged a VA funding fee. For all types of loans, the loan amount may include this funding fee.

The VA funding fee and up to $6,000 of energy-efficient improvements can be included in VA loans. However, no other fees, charges, or discount points may be included in the loan amount for regular purchase or construction loans. For refinancing loans, most closing costs may be included in the loan amount.

Required Occupancy: To qualify for a VA home loan, a Veteran or the spouse of an active-duty Servicemember must certify that he or she intends to occupy the home. A dependent child of an active-duty Servicemember also satisfies the occupancy requirement when refinancing a VA-guaranteed loan solely to reduce the interest rate, a Veteran need only certify to prior occupancy.

Financing, Interest Rates and Terms: Veterans obtain VA-guaranteed loans through the usual lending institutions, including banks, credit unions, and mortgage brokers. VA-guaranteed loans can have either a fixed interest rate or an adjustable rate, where the interest rate may adjust up to one percent annually and up to five percent over the life of the loan. VA does not set the interest rate. Interest rates are negotiable between the lender and borrower on all loan types.

Veterans may also choose a different type of adjustable rate mortgage called a hybrid ARM, where the initial interest rate remains fixed for three to 10 years. If the rate remains fixed for less than five years, the rate adjustment cannot be more than one percent annually and five percent over the life of the loan. For a hybrid ARM with an initial fixed period of five years or more, the initial adjustment may be up to two percent. The Secretary has the authority to determine annual adjustments thereafter. Currently annual adjustments may be up to two percentage points and six percent over the life of the loan.

If the lender charges discount points on the loan, the Veteran may negotiate with the seller as to who will pay points or if they will be split between buyer and seller. Points paid by the Veteran may not be included in the loan (with the exception that up to two points may be included in interest rate reduction refinancing loans). The term of the loan may be for as long as 30 years and 32 days.

Loan Assumption Requirements and Liability: VA loans made on or after March 1, 1988, are not assumable without the prior approval of VA or its authorized agent (usually the lender collecting the monthly payments). To approve the assumption, the lender must ensure that the borrower is a satisfactory credit risk and will assume all of the

Veteran's liabilities on the loan. If approved, the borrower will have to pay a funding fee that the lender sends to VA, and the Veteran will be released from liability to the federal government. A release of liability does not mean that a Veteran's guaranty entitlement is restored. That occurs only if the borrower is an eligible Veteran who agrees to substitute his or her entitlement for that of the seller. If a Veteran allows assumption of a loan without prior approval, then the lender may demand immediate and full payment of the loan, and the Veteran may be liable if the loan is foreclosed and VA has to pay a claim under the loan guaranty.

Loans made prior to March 1, 1988, are generally freely assumable, but Veterans should still request VA's approval in order to be released of liability. Veterans whose loans were closed after Dec. 31, 1989, usually have no liability to the government following a foreclosure, except in cases involving fraud, misrepresentation, or bad faith, such as allowing an unapproved assumption. However, for the entitlement to be restored, any loss suffered by VA must be paid in full.

Current Funding Fee Rates: http://www.benefits.va.gov/homeloans/purchaseco_loan_fee.asp

VA Assistance to Veterans in Default: VA urges all Veterans who are encountering problems making their mortgage payments to speak with their servicers as soon as possible to explore options to avoid foreclosure. Contrary to popular opinion, servicers do not want to foreclose because foreclosure costs a lot of money. Depending on a Veteran's specific situation, servicers may offer any of the following options to avoid foreclosure:

- Repayment Plan – The borrower makes regular installment each month plus part of the missed installments.
- Special Forbearance – The servicer agrees not to initiate foreclosure to allow time for borrowers to repay the missed installments. An example of when this would be likely is when a borrower is waiting for a tax refund.
- Loan Modification - Provides the borrower a fresh start by adding the delinquency to the loan balance and establishing a new payment schedule.
- Additional time to arrange a private sale – The servicer agrees to delay foreclosure to allow a sale to close if the loan will be paid off.
- Short Sale – When the servicer agrees to allow a borrower to sell his/her home for a lesser amount than what is currently required to pay off the loan.
- Deed-in-Lieu of Foreclosure - The borrower voluntarily agrees to deed the property to the servicer instead of going through a lengthy foreclosure process.

Servicemembers Civil Relief Act

Veteran borrowers may be able to request relief pursuant to the Servicemembers Civil Relief Act (SCRA). In order to qualify for certain protections available under the Act, their obligation must have originated prior to their current period of active military service. SCRA may provide a lower interest rate during military service and for up to one year after service ends, and provide forbearance, or prevent foreclosure or eviction up to nine months from period of military service.

Assistance to Veterans with VA-Guaranteed Home Loans

When a VA-guaranteed home loan becomes delinquent, VA may provide supplemental servicing assistance to help cure the default. The servicer has the primary responsibility of servicing the loan to resolve the default.

However, in cases where the servicer is unable to help the Veteran borrower, VA has loan technicians in eight Regional Loan Centers and two special servicing centers who take an active role in interceding with the mortgage

servicer to explore all options to avoid foreclosure. Veterans with VA-guaranteed home loans can call 1-877 827-3702 to reach the nearest VA office where loan specialists are prepared to discuss potential ways to help save the loan.

VA Acquired Property Foreclosures

VA acquires properties as a result of foreclosures VA-guaranteed and VA-owned loans. A private contractor is currently marketing the acquired properties through listing agents using local Multiple Listing Services. A listing of "VA Properties for Sale" may be found at listings.vrmco.com/. Contact a real estate agent for information on purchasing a VA-acquired property.

Preventing Veteran Homelessness

Veterans who feel they may be facing homelessness as a result of losing their home can call 1-877-4AID VET (877-424-3838) or go to http://www.va.gov/HOMELESS/index.asp to receive assistance from VA.

Assistance to Veterans with Non-VA Guaranteed Home Loans

For Veterans or Servicemembers who have a conventional or sub-prime loan, VA has a network of eight Regional Loan Centers and two special servicing centers that can offer advice and guidance. Borrowers may visit http://www.benefits.va.gov/homeloans/or call toll free 1-877-827-3702 to speak with a VA loan technician. However, unlike when a Veteran has a VA-guaranteed home loan, VA does not have the legal authority to intervene on the borrower's behalf. It is imperative that a borrower contact his/her servicer as quickly as possible.

VA Refinancing of a Non-VA Guaranteed Home Loan

Veterans with conventional home loans now have new options for refinancing to a VA-guaranteed home loan. These new options are available as a result of the Veterans' Benefits Improvement Act of 2008. Veterans who wish to refinance their subprime or conventional mortgage may now do so for up to 100 percent of the value of the property, which is up from the previous limit of 90 percent.

Additionally, Congress raised VA's maximum loan guaranty for these types of refinancing loans. Loan limits were effectively raised from $144,000 to $417,000. High-cost counties have even higher maximum loan limits. VA county loan limits can be found at www.benefits.va.gov/homeloans/. These changes will allow more qualified Veterans to refinance through VA, allowing for savings on interest costs and avoiding foreclosure.

Other Assistance for Delinquent Veteran Borrowers

If VA is not able to help a Veteran borrower retain his/her home (whether a VA-guaranteed loan or not), the HOPE NOW Alliance may be of assistance. HOPE NOW is a joint alliance consisting of servicers, counselors, and investors whose main goal is to assist distressed borrowers retain their homes and avoid foreclosure. They have expertise in financial counseling, as well as programs that take advantage of relief measures that VA cannot. HOPE NOW provides outreach, counseling and assistance to homeowners who have the willingness and ability to keep their homes but are facing financial difficulty as a result of the crisis in the mortgage market. The HOPE NOW Alliance can be reached at (888) 995-HOPE (4673), or by visiting: http://www.hopenow.com.

For more information go to www.benefits.va.gov/homeloans, or call (877) 827-3702

Loans for Native American Veterans

Eligible Native American Veterans can obtain a loan from VA to purchase, construct, or improve a home on Federal Trust Land, or to reduce the interest rate on such a VA loan. Native American Direct Loans are only available if a memorandum of understanding exists between the tribal organization and VA.

Veterans who are not Native American, but who are married to Native American non-Veterans, may be eligible for a direct loan under this program. To be eligible for such a loan, the qualified non-Native American Veteran and the Native American spouse must reside on Federal Trust Land, and both the Veteran and spouse must have a meaningful interest in the dwelling or lot.

Safeguards for Veterans

The following safeguards have been established to protect veterans:

1. VA may suspend from the loan program those who take unfair advantage of veterans or discriminate because of race, color, religion, sex, disability, family status or national origin.
2. The builder of a new home (or manufactured home) is required to give the purchasing veteran either a one-year warranty or a 10-year insurance-backed protection plan.
3. The borrower obtaining a loan may only be charged closing costs prescribed by VA as allowable.
4. The borrower can prepay without penalty the entire loan or any part not less than one installment or $100.
5. VA encourages holders to extend forbearance if a borrower becomes temporarily unable to meet the terms of the loan.

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Appeals of VA Claims Decisions

Veterans and other claimants for VA benefits have the right to appeal decisions made by a VA regional office, medical center or National Cemetery Administration (NCA) office. Typical issues appealed are disability compensation, pension, education benefits, recovery of overpayments, reimbursement for unauthorized medical services, and denial of burial and memorial benefits.

A claimant has one year from the date of the notification of a VA decision to file an appeal. The first step in the appeal process is for a claimant to file a written notice of disagreement with the VA regional office, medical center or NCA office that made the decision.

Following receipt of the written notice, VA will furnish the claimant a "Statement of the Case" describing what facts, laws, and regulations were used in deciding the case. To complete the request for appeal, the claimant must file a "Substantive Appeal" within 60 days of the mailing of the Statement of the Case, or within one year from the date VA mailed its decision, whichever period ends later.

Board of Veterans' Appeals

The Board of Veterans' Appeals makes decisions on appeals on behalf of the Secretary of Veterans Affairs. Although it is not required, a Veterans service organization, an agent, or an attorney may represent a claimant. Appellants may present their cases in person to a member of the Board at a hearing in Washington, D.C., at a VA regional office or by videoconference.

Decisions made by the Board can be found at www.index.va.gov/search/va/bva.html. The pamphlet, "Understanding the Appeal Process," is available on the Website or may be requested by writing: Mail Process Section (014), Board of Veterans' Appeals, 810 Vermont Avenue, NW, Washington, DC 20420.

U.S. Court of Appeals for Veterans Claims

A final Board of Veterans' Appeals decision that does not grant a claimant the benefits desired may be appealed to the U.S. Court of Appeals for Veterans Claims, an independent court, not part of the Department of Veterans Affairs. Notice of an appeal must be received by the court with a postmark that is within 120 days after the Board of Veterans' Appeals mailed its decision. The court reviews the record considered by the Board of Veterans' Appeals. It does not hold trials or receive new evidence.

Appellants may represent themselves before the court or have lawyers or approved agents as representatives. Oral argument is held only at the direction of the court. Either party may appeal a decision of the court to the U.S. Court of Appeals for the Federal Circuit and may seek review in the Supreme Court of the United States.

Published decisions, case status information, rules and procedures, and other special announcements can be found at www.uscourts.cavc.gov. The court's decisions can also be found in West's Veterans Appeals Reporter, and on the Westlaw and LEXIS online services. For questions, write the Clerk of the Court, 625 Indiana Ave. NW, Suite 900, Washington, DC 20004, or call (202) 501-5970.

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Military Medals/Records

Medals awarded while in active service are issued by the individual military services if requested by Veterans or their next of kin. Requests for replacement medals, decorations, and awards should be directed to the branch of the military in which the Veteran served. However, for Air Force (including Army Air Corps) and Army Veterans, the National Personnel Records Center (NPRC) verifies awards and forwards requests and verification to appropriate services.

Requests for replacement medals should be submitted on Standard Form 180, "Request Pertaining to Military Records," which may be obtained at VA offices or the Internet at www.va.gov/vaforms. Forms, addresses, and other information on requesting medals can be found on the Military Personnel Records section of NPRC's Website at www.archives.gov/st-louis/military-personnel/index.html. For questions, call Military Personnel Records at (314) 801-0800 or e-mail questions to: MPR.center@nara.gov.

When requesting medals, type or clearly print the Veteran's full name, include the Veteran's branch of service, service number or Social Security number and provide the Veteran's exact or approximate dates of military service. The request must contain the signature of the Veteran or next of kin if the Veteran is deceased. If available, include a copy of the discharge or separation document, WDAGO Form 53-55 or DD Form 214.

If discharge or separation documents are lost, Veterans or the next of kin of deceased Veterans may obtain duplicate copies through: https://www.archives.gov/veterans/ or by completing forms found on the Internet at www.archives.gov/research/index.html and mailing or faxing them to the NPRC.

Alternatively, write the National Personnel Records Center, Military Personnel Records, One Archives Drive, St. Louis, MO 63138-1002. Specify that a duplicate separation document is needed. The Veteran's full name should be printed or typed so that it can be read clearly, but the request must also contain the signature of the Veteran or the signature of the next of kin, if the Veteran is deceased. Include the Veteran's branch of service, service number or Social Security number and exact or approximate dates and years of service. Use Standard Form 180, "Request Pertaining To Military Records."

It is not necessary to request a duplicate copy of a Veteran's discharge or separation papers solely for the purpose of filing a claim for VA benefits. If complete information about the Veteran's service is furnished on the application, VA will obtain verification of service.

Replacing Military Records

The secretary of a military department, acting through a Board for Correction of Military Records, has authority to change any military record when necessary to correct an error or remove an injustice. A correction board may consider applications for correction of a military record, including a review of a discharge issued by court-martial.

The Veteran, survivor, or legal representative must file a request for correction within three years of discovering an alleged error or injustice. The board may excuse failure to file within this time, however, if it finds it would be in the interest of justice. It is an applicant's responsibility to show why the filing of the application was delayed and why it would be in the interest of justice for the board to consider it despite the delay.

To justify a correction, it is necessary to show to the satisfaction of the board that the alleged entry or omission in the records was in error or unjust. Applications should include all available evidence, such as signed statements of

witnesses or a brief of arguments supporting the correction. Application is made with DD Form 149, available at VA offices, Veterans organizations or visit http://www.dtic.mil/whs/directives/forms/eforms/dd0149.pdf. Review of Discharge from Military Service

Each of the military services maintains a discharge review board with authority to change, correct or modify discharges or dismissals not issued by a sentence of a general court-martial. The board has no authority to address medical discharges.

The Veteran or, if the Veteran is deceased or incompetent, the surviving spouse, next of kin or legal representative, may apply for a review of discharge by writing to the military department concerned, using DD Form 293 – "Application for the Review of Discharge from the Armed Forces of the United States." This form may be obtained at a VA regional office, from Veterans organizations or online at http://www.dtic.mil/whs/directives/forms/eforms/dd0293.pdf

However, if the discharge was more than 15 years ago, a Veteran must petition the appropriate Service's Board for Correction of Military Records using DD Form 149 – "Application for Correction of Military Records Under the Provisions of Title 10, U.S. Code, Section 1552." A discharge review is conducted by a review of an applicant's record and, if requested, by a hearing before the board.

Discharges awarded as a result of a continuous period of unauthorized absence in excess of 180 days make persons ineligible for VA benefits regardless of action taken by discharge review boards, unless VA determines there were compelling circumstances for the absence. Boards for the Correction of Military Records also may consider such cases.

Veterans with disabilities incurred or aggravated during active duty may qualify for medical or related benefits regardless of separation and characterization of service. Veterans separated administratively under other than honorable conditions may request that their discharge be reviewed for possible re-characterization, provided they file their appeal within 15 years of the date of separation.

Questions regarding the review of a discharge should be addressed to the appropriate discharge review board at the address listed on DD Form 293.

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Benefits Provided by Other Federal Agencies

Internal Revenue Service

This year many workers will qualify for the Earned Income Credit (EIC) because their income declined or they became unemployed. Tax refunds through the EIC and Child Tax Credit can help low- and moderate-income families cover day-to-day expenses such as utilities, rent, and child care. To learn more, visit www.irs.gov or consult a tax preparer.

Special Tax Considerations for Veterans

Disabled veterans may be eligible to claim a federal tax refund based on: an increase in the veteran's percentage of disability from VA or the combat-disabled veteran applying for, and being granted, Combat-Related Special Compensation, after an award for Concurrent Retirement and Disability. To do so, the disabled veteran will need to file the amended return, Form 1040X, Amended U.S. Individual Income Tax Return, to correct a previously filed Form 1040, 1040A or 1040EZ. An amended return cannot be e-filed. It must be filed as a paper return. Disabled veterans should include all documents from VA and any information received from Defense Finance and Accounting Services explaining proper tax treatment for the current year.

If needed, veterans should seek assistance from a competent tax professional before filing amended returns based on a disability determination. Refund claims based on an incorrect interpretation of the tax law could subject the veteran to interest and/or penalty charges. Complete information and requirements can be found at www.irs.gov/Individuals/Military/Special-Tax-Considerations-for-Veterans.

USDA Provides Loans for Farms and Homes

The U.S. Department of Agriculture (USDA) provides loans and guarantees to buy, improve or operate farms. Loans and guarantees are generally available for housing in towns with a population up to 20,000. Applications from Veterans have preference. For further information, contact Farm Service Agency or Rural Development, USDA, 1400 Independence Ave., S.W., Washington, DC 20250, or apply at local Department of Agriculture offices, usually located in county seats.

HUD Veteran Resource Center (HUDVET)

Housing and Urban Development (HUD) sponsors the Veteran Resource Center (HUDVET), which works with national Veterans service organizations to serve as a general information center on all HUD-sponsored housing and community development programs and services. To contact HUDVET, call 1-800-998-9999, TDD 800-483-2209, or visit: www.hud.gov/hudvet.

Veterans Receive Naturalization Preference

Honorable active-duty service in the U.S. armed forces during a designated period of hostility allows an individual to naturalize without being required to establish any periods of residence or physical presence in the United States. A Servicemember who was in the United States, certain territories, or aboard an American public vessel at the time of enlistment, re-enlistment, extension of enlistment or induction, may naturalize even if he or she is not a lawful permanent resident.

On July 3, 2002, the president issued Executive Order 13269 establishing a new period of hostility for naturalization purposes beginning Sept. 11, 2001, and continuing until a date designated by a future Executive Order. Qualifying members of the armed forces who have served at any time during a specified period of hostility may immediately apply for naturalization using the current application – Form N-400 – "Application for Naturalization." Additional information about filing and requirement fees and designated periods of hostility are available on the U.S. Citizenship and Immigration Services Website at www.uscis.gov.

Individuals who served honorably in the U.S. armed forces, but were no longer serving on active duty status as of Sept. 11, 2001, may still be naturalized without having to comply with the residence and physical presence requirements for naturalization if they filed Form N-400 while still serving in the U.S. armed forces or within six months of termination of their active duty service.

An individual who files the application for naturalization after the six-month period following termination of active-duty service is not exempt from the residence and physical presence requirements, but can count any period of active-duty service towards the residence and physical presence requirements. Individuals seeking naturalization under this provision must establish that they are lawful permanent residents (such status not having been lost, rescinded or abandoned) and that they served honorably in the U.S. armed forces for at least one year.

If a Servicemember dies as a result of injury or disease incurred or aggravated by service during a time of combat, the Servicemember's survivor(s) can apply for the deceased Servicemember to receive posthumous citizenship at any time within two years of the Servicemember's death. The issuance of a posthumous certificate of citizenship does not confer U.S. citizenship on surviving relatives. However, a non-U.S. citizen spouse or qualifying family member may file for certain immigration benefits and services based upon their relationship to a Servicemember who died during hostilities or a non-citizen Servicemember who died during hostilities and was later granted posthumous citizenship.

For additional information, USCIS has developed a web page – http://www.uscis.gov/military – that contains information and links to services specifically for the military and their families. Members of the U.S. military and their families stationed around the world can also call USCIS for help with immigration services and benefits using a dedicated, toll-free Military help line at 1-877-CIS-4MIL (1-877-247-4645).

Small Business Administration (SBA)

Historically, Veterans do very well as small business entrepreneurs. Veterans interested in entrepreneurship and small business ownership should look to the U.S. Small Business Administration's Office of Veterans Business Development (https://www.sba.gov/content/veteran-service-disabled-veteran-owned) for assistance. OVBD conducts comprehensive outreach to Veterans, service-disabled Veterans and Reserve Component members of the U.S. military. OVBD also provides assistance to Veteran- and reservist-owned small businesses. SBA is the primary federal agency responsible for assisting Veterans who own or are considering starting their own small businesses.

Among the services provided by SBA are business-planning assistance, counseling and training through community based Veterans Business Outreach Centers. For more information, go to https://www.sba.gov/offices/headquarters/ovbd/resources/362341.

There are more than 1,000 university-based Small Business Development Centers; nearly 400 SCORE chapters (http://www.score.org/topics/veteran_guards_reservists) with 11,000 volunteer counselors, many of whom are Veterans; and 100 Women's Business Centers.

SBA also manages a range of special small business lending programs at thousands of locations, ranging from Micro Loans to the Military-community-targeted Patriot Express Pilot Loan, to venture capital and Surety Bond Guarantees

(https://www.sba.gov/category/about-sba-navigation-structure/sba-programs) Veterans also participate in all SBA federal procurement programs, including a special 3 percent federal procurement goal specifically for service-connected disabled Veterans, and SBA supports Veterans and others participating in international trade.

A special Military Reservist Economic Injury Disaster Loan https://www.sba.gov/content/military-reservists-economic-injury-loans is available for self-employed Reservists whose small businesses may be damaged through the absence of the owner or an essential employee as a result of Title 10 activation to Active Duty.

A Veterans Business Development Officer is stationed at every SBA District Office to act as a guide to Veterans, and SBA offers a full range of self-paced small business planning assistance at www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/thinking-about-starting for Veterans, reservists, discharging servicemembers and their families. Information about the full range of services can be found at https://www.sba.gov/category/about-sba-navigation-structure/sba-programs , or by calling 1-800-U-ASK-SBA (1-800-827-5722).

Social Security Administration

Monthly retirement, disability and survivor benefits under Social Security are payable to Veterans and dependents if the Veteran has earned enough work credits under the program. Upon the Veteran's death, a one-time payment of $255 also may be made to the Veteran's spouse or child. Currently, under federal statute, the VA recognizes all marriages performed in the state of residence when that state considers the marriage legal. Marriages not considered legal in the state of residence may not be recognized. In addition, a Veteran may qualify at age 65 for Medicare's hospital insurance and medical insurance. Medicare protection is available to people who have received Social Security disability benefits for 24 months, and to insured people and their dependents who need dialysis or kidney transplants, or who have amyotrophic lateral sclerosis (more commonly known as Lou Gehrig's disease).

Since 1957, military service earnings for active duty (including active duty for training) have counted toward Social Security and those earnings are already on Social Security records. Since 1988, inactive duty service in the Reserve Component (such as weekend drills) has also been covered by Social Security. Servicemembers and Veterans are credited with $300 credit in additional earnings for each calendar quarter in which they received active duty basic pay after 1956 and before 1978.

Veterans who served in the military from 1978 through 2001 are credited with an additional $100 in earnings for each $300 in active duty basic pay, up to a maximum of $1,200 a year. No additional Social Security taxes are withheld from pay for these extra credits. Veterans who enlisted after Sept. 7, 1980, and did not complete at least 24 months of active duty or their full tour of duty, may not be able to receive the additional earnings. Check with Social Security for details. Additional earnings will no longer be credited for military service periods after 2001.

Also, non-contributory Social Security earnings of $160 a month may be credited to Veterans who served after Sept. 15, 1940, and before 1957, including attendance at service academies. For information, call 1-800-772-1213 or visit www.socialsecurity.gov/. (Note: Social Security cannot add these extra earnings to the record until an application is filed for Social Security benefits).

Armed Forces Retirement Homes

Veterans are eligible to live in the Armed Forces Retirement Homes located in Gulfport, Miss., or Washington, D.C., if their active duty military service is at least 50 percent enlisted, warrant officer or limited duty officer if they qualify under one of the following categories:

1. Are 60 years of age or older; and were discharged or released under honorable conditions after 20 or more years of active service.
2. Are determined to be incapable of earning a livelihood because of a service-connected disability incurred in the line of duty.
3. Served in a war theater during a time of war declared by Congress or were eligible for hostile-fire special pay and were discharged or released under honorable conditions; and are determined to be incapable of earning a livelihood because of injuries, disease or disability.
4. Served in a women's component of the armed forces before June 12, 1948; and are determined to be eligible for admission due to compelling personal circumstances.

Eligibility determinations are based on rules prescribed by the Home's Chief Operating Officer. Veterans are not eligible if they have been convicted of a felony or are not free from alcohol, drugs or psychiatric problems. Married couples are welcome, but both must be eligible in their own right. At the time of admission, applicants must be capable of living independently.

The Armed Forces Retirement Home is an independent federal agency. For information, call 1-800-332-3527 or 1-800-422-9988, or visit www.afrh.gov/.

Commissary and Exchange Privileges

Unlimited commissary and exchange store privileges in the United States are available to honorably discharged Veterans with a service-connected disability rated at 100 percent or totally disabling, and to the un-remarried surviving spouses and dependents of Servicemembers who die on active duty, military retirees, recipients of the Medal of Honor, and Veterans whose service-connected disability was rated 100 percent or totally disabling at the time of death. Certification of total disability is done by VA. National Guard Reservists and their dependents may also be eligible. Privileges overseas are governed by international law and are available only if agreed upon by the foreign government concerned

Though these benefits are provided by DOD, VA does provide assistance in completing DD Form 1172, "Application for Uniformed Services Identification and Privilege Card." For detailed information, contact the nearest military installation. http://cac.mil/docs/dd1172-2.pdf

U.S. Department of Health and Human Services

The U.S. Department of Health and Human Services provides funding to states to help low-income households with their heating and home energy costs under the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP can also assist with insulating homes to make them more energy efficient and reduce energy costs. The LIHEAP program in your community determines if your household's income qualifies for the program. To find out where to apply call 1-866-674-6327 or e-mail energy@ncat.org 7 a.m.- 5 p.m. (Mountain Time). More information can be found at http://liheap.org/.

Appendix 1

Retirement Information Checklist

We suggest that you keep all records pertaining to your military career in one location. You should also keep your spouse or primary beneficiary appraised of their location. The following is a checklist that may prove to be beneficial to you and your spouse while in a retired status or upon death:

1. I retired in (day/month/year) _____ from (Unit, Battery,

Detachment, Squadron etc) _____

(Location/Address) _____

2. My Social Security Number is: _____

3. I served on Regular Active Duty in:

Army ___ Navy ___Air Force ___ Marine Corps ___ Coast Guard ___ None ___

4. When I retired from the service, I:

Did ___ Did not ___ elect transfer to the Retired Reserve.

Did ___ Did not ___ make a previous election for the Survivor Benefit Plan when I reached 20 qualifying years of service for retirement.

Did ___ Did not ___ convert Servicemen's Group Life Insurance to Veterans GroupLife Insurance.

5. I retired in the Rank/Pay Grade of _____

6. In the event of my death, call: _____

7. I was age ____ when I retired; my date of birth is: (day/month/year) _____, and my DIEMS (Date of Initial Entry to Military Service) is _____ (day/month/year).

8. List all your insurance policies, stocks, bonds etc., plus any organization you are due retired pay from or companies you are indebted to and include account, address and phone numbers if available. (List on reverse side of this form)

9. I have placed all personnel records in the following location: _____.