According to Knight Ridder Newspapers, nearly two million veterans and or their spouses are missing out on nearly $22 billion in pensions and benefits. According to an older study by the Veterans Administration, the reason is that veterans “are completely unaware that these programs exist.” The report goes on to say that only about 25 percent of eligible veterans and 17 percent of widows are participating in the VA’s Aid and Attendance program.

Currently, a single veteran can receive more than $1,700, a married veteran more than $2,000 and a surviving spouse more than $1,100 monthly. If you’re lucky enough to be a veteran and be married to a qualifying veteran, you can receive in excess of $2,600 per month — all tax free and it may be paid in addition to monthly pensions.

If you or your loved one, in the advancing years, needs care, there is a possible income stream to help offset the expenses of care homes, care at home, medical expenses, etc. It’s called the Veterans Administration Aid and Attendance Program for military veterans and or their spouses, who had a minimum of 90 days active duty during any of our specified conflict dates. Clearly, the A&A Program is not for the wealthy or for people who can maintain financial independence. With the help of VA Advocates (Veterans Service Organizations), available in most communities, even middle class and middle income veterans may be eligible for these benefits.

There are three areas of eligibility: Military, Medical, and Financial (Income and Assets). The benefit is not easy to get, you must be tenacious as the qualification process can be arduous, complete historical documentation must be available, and the wait to receive income can become lengthy. But in the end, and extra money every month can really help.

Full details are much too lengthy to discuss in this article, but there are resources that can help with the details and application process. There are a number of companies and individuals that have online websites. These are generally known as veteran service organizations - VA Advocates. You can also research the Department of Veterans Affairs website: United States Department of Veterans Affairs www.benefits.va.gov or by calling the Regional VA Office for information.

It is highly recommended that an Advocate (Veterans Service Organization) be used, one that is experienced in submitting VA A&A applications. They will know what they are doing, can carefully map out a financial qualifying plan, review medical and military qualifications and ensure that records are accurate and can generally prevent application returns from inadequately filled out forms.

These Veteran Advocates cannot by law, charge for their services. There are scams out there, so be careful. Try to get a recommendation from someone who has already used that service. With a little detective work, perhaps with residents of a care home, that personal recommendation will be very helpful.

Many experienced advocates are licensed with life insurance companies and may propose the use of annuities and certain trusts to aid in qualifying for the A&A Program. This may be a good thing. It would be well to ask to see licenses of the individual you will be working with.
The good part about the application process is that once the application is received by the VA, the clock starts running. It will be date stamped for the first day of the month following the submission of the application. This benefit, once adjudicated and awarded, will pay retroactively back to the application date. This income will be with you the rest of your life - as long as you remain qualified.

MILITARY REQUIREMENT

The applicant — the veteran — must have served in a military service and had active duty during a “war.” A surviving spouse of a qualified veteran may also be qualified based on the veteran’s record. Currently, anyone who served at least one day’s active duty during World War I, World War II, Vietnam or Korea are eligible. The qualifying documentation includes the military discharge papers, typically the DD-214 (must be certified, recorded or the original sent to the Veteran’s Administration — a bit risky), marriage certificates (if a surviving spouse), death certificates, and other papers. If these documents are not kept at home, requesting these records from government entities can take time.

MEDICAL REQUIREMENT

There must be a “need” — that is a medical reason to receive income from the A&A Program. For example, a person must be either taken care of at home or move into a care home because of a need. The person could be handicapped in some manner that is disabling. To qualify as handicapped, a person must have a condition that restricts them in ‘Activities of Daily Living’ and requires some level of care or assistance. A doctor will have to certify the “need” and fill out a detailed application.

FINANCIAL REQUIREMENT

From a financial standpoint, “need” can be described as a person spending a majority or all of his or her income on their health expenses and care. For example, a person living in a care home has an income from Social Security, a small pension and an IRA for a combined income of about $2,200. The remaining bank account has about $20,000. Expenses include the care home, medical expenses, and personal expenses for a total of $2,800 per month. It’s obvious that with $2,200 in income and $2,800 in expenses, the bank account is rapidly depleting.

But if otherwise qualified for the A&A Program, that person would receive more than $1,100 from the VA, and would have enough disposable income to take care of increased medical expenses and other unanticipated expenses in the future.

There are many details and qualifying factors involved in the financial segment. Each asset should be looked at carefully to determine eligibility. In one example, if the person (veteran or surviving spouse) has an IRA savings account that has too much value, they may be disqualified. However, that IRA may be able to be transferred to a VA Compliant Immediate Pay Annuity. That person may then meet the requirements to receive A&A benefits. After reaching age 70.5, the IRS states that an IRA must distribute a certain amount of money. Its called an RMD or Required Minimum Distribution. For instance, a 91 year old woman with $50,000 in her IRA must take a minimum distribution of a little more than $400 per month based on IRS actuarial tables that indicate she will live to age 96.
So, with help from a Veterans Service Organization, by transferring the IRA in her bank to an IRA VA Compliant Annuity distributing the required amount or more, the VA no longer looks at the $50,000 as a cash account or asset where a check can be written. The VA’s reasoning is that a regular IRA could be converted to all cash even if the minimum annual income is taken. A VA advocate can help you evaluate your finances and provide information about certain legal financial shelters.

Among the many other details, some assets are a little more complex such as an exemption in owning a home and or a car. How much money can you have in the bank? Is a Living Trust acceptable or does it disqualify an applicant. Consult with a VA Advocate to better understand the financial qualifications. These requirements are critical.

There are numerous pitfalls that can and should be avoided. One pitfall that must be carefully considered is that while qualifying for the A&A Program, an applicant might inadvertently disqualify himself or herself from Medicaid. Those, again, are the “devil in the details” where the immeasurable professional help can be the difference between success and failure.

Know that this process can be time consuming and frustrating. You need to have the tenacity of a bull dog. In the end, an extra $1,000 or so every month can be very rewarding to offset increasing medical costs.

This article was submitted to The Union by Tor Eckert with permission from www.alz.org. Eckert has been involved all facets of Alzheimer’s disease since the 2005 including owning a Alzheimer’s Care Home. His public speaking forums — The Many Faces of Dementia have provided health care professionals, adult children, caregivers and families with a better of understanding of Alzheimer’s and the other dementias. For more information, please call Eckert at 530-432-8308 or email toreckert@sbcglobal.net.