

## VA Benefits

Under the Veterans Affairs (VA) system, there are two programs that may help provide relief to uncovered long-term care costs: VA Compensation Program and the VA Pension Program.

### The VA Compensation Program

Available to veterans who have a disability stemming from a wartime injury, and have received an “other than dishonorable” discharge. Since it is an entitlement program as opposed to a means-tested program, it may entitle the veteran to a disability payment that is not dependent on that veteran’s income or assets.

Veterans who have become incapacitated to the point that they need assistance from

others, either in a home or institutional care setting, may be eligible for additional benefits. The reason behind the need for care must be directly tied to a wartime injury, which is the same with the Dependents Indemnity Compensation program. This program provides the widower or widow of the veteran with the continued disability benefits should the veteran die of wartime-related injuries.



## VA Pension Program

The VA Pension Program is also called the “Housebound” or the “Aid and Attendance” program. This is another disability program, however it does not require the veteran to have suffered a wartime injury like the VA Compensation Program does. Instead, the program qualifies veterans based on their means. In order to qualify, the veteran must show that their medical costs require them to pay so much out of their household income that what’s left is below the threshold that the

VA has established as too low. Eligible veterans who require aid may be eligible for extra monetary assistance for their care needs.

There are three elements that determine your eligibility for Pension Program benefits: your Veteran Status, an Income Test, and an Asset Test. Generally, if you served 90 days in active duty and at least one of those days was during a declared wartime, you may qualify as an eligible veteran. The income and asset tests are very similar to those of the Medicaid program.

## Planning for Medicaid & VA Eligibility

As you put together a strategy for your future that may include Medicaid and/or VA benefits, it is very important to include a plan around tax issues. One that can sneak up on you is your IRA. If you fall ill and need to move your assets

to your spouse to qualify for public benefits, one of the most expensive to transfer is your Traditional IRA. ***Transferring this account can cost twenty percent or more.***

*However, there is something you can do to mitigate this cost—*