

Programs for Specific Groups

Veterans' Benefits

Benefit programs for military veterans had their origins in the earliest days of the Nation's history. Pensions for disabled veterans of the Revolutionary War were paid by the Federal Government in 1789, and shortly thereafter for widows and orphans of men who died in service. The initial scope of the veterans' benefit system was broadened early in the 19th century with the introduction of programs for medical and hospital care.

America's involvement in World War I triggered the establishment of several new programs that provided disability compensation, life insurance, and vocational rehabilitation. Significant provisions for veterans were added in 1944 as a result of the World War II GI Bill of Rights, including extensive educational benefits and a home loan program.

During fiscal year 1994, total benefits to veterans and their dependents, exclusive of career retirement and Social Security benefits, was \$36.2 billion. This amount included \$19.5 billion for disabled veterans, their dependents, and survivors; \$15.6 billion for medical programs; and \$1.1 billion for educational programs. In September 1994, disability compensation or pension payments were being made to 2,659,000 veterans. Of these, 2,218,000 had service-connected disabilities and 441,000 were receiving nonservice-connected pensions. In addition, benefits were payable to survivors of 683,000 deceased veterans (based on service- and nonservice-connected deaths).

Eligibility for Benefits

Eligibility for most benefits is based on discharge from active military service under other than dishonorable conditions for a minimum period specified by law. Active service generally means full-time service as a member of the Army, Navy, Air Force, Marines, Coast Guard, or as a commissioned officer of the Public Health Service, the Environmental Services Administration, or the National Oceanic and Atmospheric Administration. Completion of at least 6 years of honorable service in the Selected Reserves also provides for home-loan benefits for those not otherwise eligible. Persons serving in the reserves also may be eligible for educational benefits. Men and women veterans with similar service are entitled to the same benefits. Service in 28 organizations during special periods that include World Wars I and II has been certified as active military service by the Defense

Department. Members of these groups may be eligible for veterans' benefits if the Defense Department certifies their service and issues a discharge under honorable conditions.

Types and Amounts of Benefits

Many of the benefits and services provided to veterans were adopted to help war veterans readjust to civilian life. These benefits include but are not limited to disability compensation, benefits for survivors, health care, and educational assistance and training.

Disability Compensation

There are two major cash payment programs for veterans. The first program provides benefits to the veteran with service-connected disabilities and, on the veteran's death, benefits are paid to the eligible spouse and children. These benefits are not means tested. The second program provides benefits to veterans who have nonservice-connected disabilities. These benefits, however, are means tested.

Service-Connected Disabilities.—The disability compensation program pays monthly cash benefits to veterans whose disabilities resulted from injuries or diseases incurred or aggravated by active military duty, whether in wartime or peacetime. The amount of monthly compensation depends on the degree of disability, rated as the percentage of normal function lost. Payments range from \$94 a month for a 10% disability to \$1,924 a month for total disability. Additional amounts may be paid when a veteran suffers severe disabilities. Veterans who have at least a 30% service-connected disability are entitled to an additional allowance for dependents. The amount, up to \$240 a month for a spouse and two children, is based on the number of dependents and the degree of disability.

Nonservice-Connected Disabilities.—Monthly benefits are provided to wartime veterans with limited income and resources who are totally and permanently disabled because of conditions not

1997 compensation rates*	
Disability	Monthly rate
10%	\$94
20%	\$179
30%	\$274
40%	\$391
50%	\$558
60%	\$703
70%	\$887
80%	\$1,028
90%	\$1,157
100%	\$1,924

*Effective December 1, 1996. For single veterans without dependents.

attributable to their military service. To qualify for these pensions, a veteran must have served in one or more of the following designated war periods: the Mexican Border Period, World War I, World War II, the Korean Conflict, the Vietnam Era, or the Persian Gulf War. Generally, the period of service must have lasted at least 90 days and the discharge or separation cannot have been dishonorable.

Effective December 1, 1996, maximum benefit amounts for nonservice-connected disabilities range from \$707 per month for a single veteran without a dependent spouse or child to \$1,350 per month for a veteran in need of regular aid and attendance and who has one dependent. For each additional dependent child, the pension is raised by \$120 per month. Benefits to veterans without dependents are reduced to \$90 per month if they are receiving long-term domiciliary or medical care from the Department of Veterans Affairs (VA). Benefits are reduced by \$1 for each \$1 the beneficiary has in other income.

Benefits for Survivors

The Dependency and Indemnity Compensation (DIC) program provides monthly benefits to surviving spouses, children (younger than age 18, disabled, or students), and low-income parents of servicemembers or veterans who died from: (1) a disease or injury incurred or aggravated while on active duty or active duty for training; or (2) any injury incurred or aggravated in the line of duty while on inactive duty training; or (3) a disability compensable by VA.

1997 Improved Death Pension	
Recipient	Maximum annual income
Surviving spouse with—	
No dependent children	\$5,688
One dependent child	\$7,450
Surviving spouse in need of regular aid and attendance with—	
No dependent child	\$9,096
One dependent child	\$10,854
Surviving spouse permanently housebound with—	
No dependent children	\$6,954
One dependent child	\$8,712
Increase for each additional dependent child	\$1,445
Pension rates for each surviving child	\$1,445

The DIC program also provides for spouses and children of veterans who were totally service-connected disabled at the time of their death but whose deaths were not the result of their service-connected disability, if: (1) the veteran was continuously rated totally disabled for a period of 10 or more years immediately preceding death; or (2) the veteran was so rated for a period of not less than 5 years from the date of discharge from military service.

Surviving spouses of veterans who died before January 1, 1993, receive a benefit amount that is based on the veterans' pay grade. In 1997, for pay grades E-1 through E-6, a monthly rate of \$833 is paid to surviving spouses. For grades E-7 through E-10, the amount ranges from \$861 to \$1,774 a month. If the veteran died on or after January 1, 1993, a basic monthly rate of \$833 is payable. A surviving spouse receives an additional \$182 a month if the deceased veteran had been entitled to receive 100% service-connected compensation for at least 8 years immediately preceding death and the surviving spouse was married to the veteran for those 8 years. The monthly amounts payable to eligible parents depend upon the income of the parents. The 1997 maximum for two parents is \$12,977; the maximum for one parent is \$9,654.

In addition to their regular benefit, surviving spouses and parents may be granted a special allowance for the aid and attendance of another person if they are patients in a nursing home or require the regular assistance of another person.

Death Pension.—Surviving spouses and unmarried children of deceased veterans with wartime service may be eligible for a nonservice-connected pension based on need. The pension amount depends on the composition of the surviving family and the physical condition of the surviving spouse. Pensions range in 1997 from \$474 a month for a surviving spouse without dependent children to \$904 a month for a surviving spouse who is in need of regular aid and attendance and who has a dependent child. The pension is raised by \$120 a month for each additional dependent child.

Health Care Benefits

The Department of Veterans Affairs provides a nationwide system of hospital and other medical care.

Many health care benefits are provided to veterans who need certain types of care but not hospitalization—for example, nursing and domiciliary care, outpatient medical and dental treatment, treatment for alcohol and drug dependence, prosthetic services, and services and aids for the blind. Medical care is also provided for dependents and survivors of veterans.

Hospital and Outpatient Care.—Eligibility for VA hospital and outpatient care is divided into two categories: In the first category,

VA provides any needed care to the extent and in the amount that Congress appropriates funds. In the second category, VA provides any needed care to the extent resources and facilities are available, if the veteran makes a copayment.

Category 1 is composed of the following veterans—

veterans in need of care for a service-connected condition;

veterans who have a compensable service-connected disability;

veterans whose discharge or release from active military service was for a compensable disability that was incurred or aggravated in the line of duty;

veterans who are former prisoners of war;

veterans of the Mexican Border period or World War I;

veterans who were exposed to Agent Orange in Vietnam, ionizing radiation, or environmental hazards in the Persian Gulf; and

veterans whose annual income and net worth is below the means test threshold, which is adjusted annually and published in January.

Category 2 includes all other veterans (including nonservice connected veterans with incomes and net worth above the means test threshold and zero percent service-connected veterans needing care for any nonservice-connected disability). These veterans must agree to make copayments. These patients are responsible for the Medicare deductible for the first 90 days of care during any 365-day period. For each additional 90 days of hospital care, the patient pays one-half the deductible. In addition to these charges, the patient is charged \$10 a day for hospital care and \$5 a day for VA nursing home care. For outpatient care, the copayment is 20% of the cost of an average outpatient visit.

Medical Care for Dependents and Survivors.—CHAMPVA, the VA Civilian Health and Medical Program, shares the cost of medical care for dependents and survivors of veterans. The following are eligible for the program provided they are not eligible for CHAMPUS (the health program administered by the Department of Defense for dependents of active duty personnel, and military retirees and their dependents) or Medicare: (1) The spouse or child of a veteran who has a permanent and total service-connected disability, (2) the surviving spouse or child of a veteran who died as a result of a service-connected condition, or

who, at the time of death, was permanently and totally disabled from a service-connected condition, and (3) the surviving spouse or child of a person who died in the line of duty within 30 days of entry into active service.

Beneficiaries covered by CHAMPVA may be treated at VA facilities when space is available. Usually, however, they receive treatment at a community hospital of their choice. The VA pays for part of the bill and the beneficiary is responsible for a copayment.

Educational Assistance and Training

Educational assistance is available to veterans under three acts. The GI Bill of Rights provides assistance to those who served on active duty between January 31, 1955, and January 1, 1977. The Veterans' Educational Assistance program is available to those who have served since January 1, 1977, and who enrolled in the program before July 1, 1985. Since July 1, 1985, veterans have been entitled to aid under the Veterans' Educational Assistance Act of 1984.

Individuals who elect to participate in the Veterans' Educational Assistance Program (VEAP) have their contributions matched \$2 for \$1 by the Department of Defense. A veteran will receive a monthly payment for the number of months contributed or for 36 months, whichever is less. A typical VEAP payment is \$150. For example, a participant contributes \$1,800 over a 36-month period and the Government adds \$3,600 (\$2 for \$1 match). This results in a total entitlement amount of \$5,400. This amount would be divided by 36 months, yielding a monthly benefit of \$150 for full-time schooling for the veteran. A veteran has 10 years from the date of last discharge or release from active duty to use VEAP benefits.

Educational assistance is also provided for the spouse and for children (aged 18-26) of veterans who are permanently and totally disabled from a service-related cause. Servicemembers, veterans, and dependents of deceased and totally disabled veterans may receive a wide range of vocational and educational counseling services throughout the period they are eligible for an educational assistance program administered by the VA.

Administration

The Department of Veterans Affairs was established March 15, 1989, with Cabinet rank, succeeding the Veterans' Administration. Its responsibilities are carried out through nationwide programs that are administered through the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery System. Each organization has field facilities as well as a central office component.