

AID & ATTENDANCE: SPECIAL CARE PENSIONS FOR WARTIME VETERANS



While many people are unaware it exists, the Veterans Administration (VA) Aid & Attendance Special Pension provides monetary assistance to wartime veterans – and surviving spouses of deceased veterans – who need regular personal assistance. Qualifying aid or assistance can be provided at home, in an assisted living facility, or in a nursing home, and can be provided by friends, family members, or healthcare professionals

For 2016, the Aid & Attendance pension can provide up to \$1,788 per month to an unmarried veteran, \$1,149 per month to a surviving spouse, or \$2,120 per month for a veteran who is married.

Best of all, if the veteran qualifies, Aid & Attendance funds are provided *in addition* to monthly pension and Social Security benefits.

If you or someone you love is a veteran and needs help with daily activities like cooking, cleaning, dressing, driving, mobility, or other assistance, the Aid & Attendance benefit can provide funds you need to pay for that help. Many elderly veterans and surviving spouses whose incomes are above the congressionally-mandated legal limit for a VA pension may still be eligible for monthly Aid & Attendance benefits if they have high expenses for care, including nursing home expenses, that are not reimbursed by insurance or other sources.

Aid & Attendance benefits can make a real difference but, filing a claim can be complex and time-consuming. Like most entitlements, veterans benefits are not awarded automatically – to receive them, you have to apply.

QUALIFYING FOR BENEFITS

Who is eligible for Aid & Attendance? First let's look at the basics. For a qualifying wartime veteran or surviving spouse to qualify for this special monthly pension, the veteran must have:

- Served at least 90 days of active military service
- Served at least one day during a period of war (which includes Iraq and Afghanistan)
- Been discharged under conditions other than dishonorable

Once those criteria are met, a veteran could qualify for standard Aid & Attendance benefits or for Housebound benefits. (Veterans cannot receive both Aid & Attendance and Housebound benefits at the same time.) According to VA standards, veterans may be eligible for Aid & Attendance benefits if their medical needs fall in any of the following categories:

- They require the aid of another person in order to perform personal functions required in everyday living, such as bathing, feeding, dressing, using the restroom, adjusting prosthetic devices, or protecting themselves from the hazards of their daily environment.

- They are bedridden, and their disability or disabilities requires them to remain in bed apart from any prescribed course of convalescence or treatment.
- They are a patient in a nursing home due to mental or physical incapacity.
- They are blind, or so nearly blind as to have corrected visual acuity of 5/200 or less in both eyes, or concentric contraction of the visual field to 5 degrees or less.

Veterans who do not qualify for Aid & Attendance may still qualify for Housebound benefits when:

- They have a single permanent disability evaluated as 100 percent disabling and, due to such disability, they are permanently and substantially confined to their immediate premises; or
- They have a single permanent disability evaluated as 100 percent disabling and another disability or disabilities evaluated as 60 percent or more disabling.

SOUND COMPLICATED?

Determinations of a need are based on medical reports and findings by physicians or from hospitals or nursing homes. If the veteran is a patient in a nursing home or is blind or nearly blind, qualifying for benefits is almost automatic. In other cases, all of the disabling conditions in the list above are not required. The evidence simply must establish the veteran or spouse needs regular, scheduled, and ongoing, Aid & Attendance from someone else. Care on a 24-hour basis is not a requirement.

But those are simply rough guidelines. The application process, the quality of your documentation, and ultimately the VA will determine whether you or a loved one qualifies for benefits.

APPLYING FOR BENEFITS

Gathering and preparing the right documents is critical. Once you gather the right documentation, the next step is to complete and submit the appropriate application form.

The process can take six to nine months (or longer), so make sure you do your best to avoid any additional delays along the way. The VA is working on speeding up the process through a paperless application process, but your application must be fully documented and complete to gain expedited approval through this process.

Keep in mind, while applying and qualifying does take time, benefit payments are retroactive to the date the VA received the application. During this time the applicant must be actually incurring the costs of care. So time is of the essence and an incorrect application will create a nightmare of expense and uncertainty.

Important Note: If you are applying on behalf of a parent who is incapacitated, you will need to complete additional paperwork. Without this paperwork you will not be allowed to deal with the VA on behalf of your parent. If you wish to receive benefits on their behalf as a fiduciary, you will have to be interviewed and approved by the VA. The VA does not recognize Powers of Attorney they have not approved.

CALCULATING BENEFITS

The Aid & Attendance monthly pension benefit amounts are based on a simple formula:

Total income *minus* cost of unreimbursed care costs

The formula is simple, but determining your actual benefit amount can be complicated.

It is not easy to calculate the actual benefit unless you have experience. It is highly recommended that you work with a qualified benefits consultant.

In general terms, the VA will evaluate the applicant's assets and income against the total cost of care. (That's why documenting all care expenses is so critical.) If the veteran has significant assets or a monthly income over the program limits, they may not qualify for Aid & Assistance. Roughly speaking, if an individual or couple has assets – not including their home, one automobile, and personal property – over \$40,000 - \$50,000 (maximum \$80,000, but this amount is rarely granted), qualifying may be difficult. However, it is no longer possible to assure a veteran that he/she can qualify for benefits if his assets are below a certain amount. The asset threshold depends upon the age and life expectancy of the applicant (and spouse) and the ratio of health-related expenses to income and is to some degree discretionary with the VA caseworker. But an experienced benefits consultant can help to make a highly educated guess about how much the veteran can have.

With proper planning in advance, making qualifying gifts and setting up appropriate trusts can effectively reduce a veteran's asset worth. Just keep in mind that giving away assets can affect eligibility for Medicaid benefits. Our office can help coordinate estate planning, VA considerations, and Medicaid considerations to limit risk and maximize benefits.

CONCLUSION

If you or your loved one meets the requirements, the Aid & Assistance Pension Benefit could provide thousands of dollars each year to meet medical expenses and provide necessary care.

But the application process is complicated and time-consuming. For some people, reallocating assets and shifting income may be necessary – and those reallocations could have a significant impact on Medicaid eligibility, whether now or in the future.

Schedule an appointment with our office to get professional, experienced assistance. Our office can help you gather the required documentation and complete the required paperwork. We can help coordinate the Aid & Assistance application, guide you through potential Medicaid issues, and create or modify your existing estate plan to ensure a veteran receives all the benefits he or she has earned by service to our country.

ABOUT THE ACADEMY

This report reflects the opinion of the American Academy of Estate Planning Attorneys. It is based on our understanding of national trends and procedures, and is intended only as a simple overview of the basic estate planning issues. We recommend you do not base your own estate planning on the contents of this Academy Report alone. Review your estate planning goals with a qualified estate planning attorney.



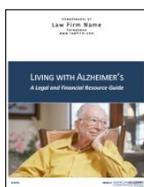
The Academy is a national organization dedicated to promoting excellence in estate planning by providing its exclusive Membership of attorneys with up-to-date research on estate and tax planning, educational materials, and other important resources to empower them to provide superior estate planning services.

The Academy expects Members to have at least 36 hours of legal education each year specifically in estate, tax, probate and/or elder law subjects. To ensure this goal is met, the Academy provides over 40 hours of continuing legal education each year. The Academy has also been recognized as a consumer legal source by *Money Magazine*, *Consumer Reports Money Adviser* and Suze Orman in her book, *9 Steps to Financial Freedom*.

ADDITIONAL REPORTS



7 Things You Need to Know Before You Choose a Nursing Home



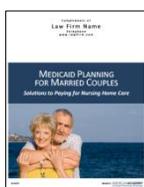
Living With Alzheimer's: A Legal and Financial Resource Guide



Plan Today for a Secure Tomorrow: The Benefits of Medicaid Planning With an Income-Only Trust



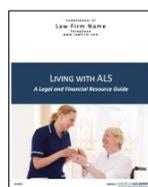
A Nursing Home Resident's Rights: Ensuring You Get the Care You Deserve



Medicaid Planning for Married Couples: Solutions to Paying for Nursing Home Care



The Alzheimer's Survival Guide for Caregivers: Practical Tips on Caring for Your Loved One



Living With ALS: A Legal and Financial Resource Guide



A Family Guide on Medicaid Planning: What it is, How it Works, and Why You Need a Plan



Putting on the Brakes: How to Help Older Drivers Make Safe Driving Decisions