***Disability Compensation***

***Participant Guide***

**National Contact Center New Hire Challenge Training**

OTED Training

**Duration:** 2.25 hours

**TMS:**  **4644571**

**Audience:** This lesson is intended for new hire Public Contact Representatives (PCRs) within VBA’s National Contact Centers (NCCs) however, it is also suitable for any new or experienced VA employee desiring information on this subject.

**Purpose:** This lesson provides VA employees assisting the public with an opportunity to enhance their knowledge on this topic. It fulfills the training requirements outlined in the Standard Operating Procedures (SOP) for new hires in the National Training Curriculum (NTC).

**Objectives:** Upon completing this lesson, trainees will be able to:

* Define three key terms to understand disability compensation
* Recall and describe disability compensation
* Name three eligibility requirements for a disability compensation claim
* Assist during call interactions with the application process for disability compensation to include:
* Applying the intent to file (ITF) procedural guidance
* Explaining the three claim processes that advance claim development
	+ - * Recall common types of disability compensation claims
			* Recall end product codes and claim labels for disability compensation claims in the VA system of records
			* Explain disability compensation ratings to include:
* The combined disability rate
* Disability compensation pay rates
* Define and distinguish categories of disability compensation:
* Special monthly compensation (SMC)
* 100% Ratings:
* Paragraph 29 - Temporary 100% for Hospitalization
* Paragraph 30 - Temporary 100% for Convalescence
* Permanent and Total (P&T) Disability Rating
* Individual Unemployability (IU)

**References:**

**KM ARTICLE**

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* [Standard Claims and Appeals Forms – Background Information, Procedural Guidance, Script and FAQs](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000009618/Standard-Claims-and-Appeals-Forms-Background-Information-Procedural-Guidance-Script-and-FAQs)
* [Centralized Mail Processing Initiative](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000011217/Centralized-Mail-Processing-Initiative-Background-Information-and-FAQs)
* [Benefits Delivery at Discharge (BDD](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000068179/Benefits-Delivery-at-Dischage-BDD))
* [Integrated Disability Evaluation System (IDES)](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000221337/Integrated-Disabilitly-Evaluation-System-IDES)
* [Fully Developed Claim Program FAQs](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000003310/Fully-Developed-Claim-Program-FAQs)

* [Combined Evaluation Calculated](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000003868/Combined-Evaluation-Calculated)
* [Rate Charts](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002538/Rate-Charts)
* [Special Monthly Compensation (SMC](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002519/Special-Monthly-Compensation-SMC))
* [Paragraph 29 and Paragraph 30 (Temporary 100%) Ready Reference](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002452/Paragraph-29-and-Paragraph-30-Temporary-100-Ready-Reference)
* [IU (Individual Unemployability) Verification Change](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000096145/IU-Individual-Unemployability-Verification-Change?query=IU)
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* [M21-4](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000011474/Appendix%20B.%20End%20Product%20Codes%20and%20Work-Rate%20Standards%20for%20Quantitative%20Measurements), Appendix B. End Product Codes
* [M21-1, Part III, Subpart v, Chapter 1, Section B](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014217/M21-1-Part-III-Subpart-v-Chapter-1-Section-B-Statutory-Bars-to-Benefits-and-Character-of-Discharge-COD) - Statutory Bars to Benefits and Character of Discharge (COD)
* [M21-1, Part III, Subpart ii, Chapter 2, Section B](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014119/M21-1-Part-III-Subpart-ii-Chapter-2-Section-B-Claims-for-Disability-Compensation-and-or-Pension-and-Claims-for-Survivors-Benefits?query=Claims%20for%20Disability%20Compensation%20and-or%20Pension,%20and%20Claims%20for%20Survivors%20Benefits) - Claims for Disability Compensation and-or Pension, and Claims for Survivors Benefits
* [M21-1, Part III, Subpart ii, Chapter 2, Section D](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014116/M21-1-Part-III-Subpart-ii-Chapter-2-Section-D-Reopened-Claims) – Reopened Claims
* [M21-1, Part III, Subpart ii, Chapter 2, Section E](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014121/M21-1-Part-III-Subpart-ii-Chapter-2-Section-E-Claims-for-Increase) - Claims for Increase
* [M21-1, Part IV, Subpart ii, Chapter 2, Section B](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014553/M21-1-Part-IV-Subpart-ii-Chapter-2-Section-B-Determining-Service-Connection-SC) - Determining Service Connection (SC)
* [M21-1, Part IV, Subpart ii, Chapter 2, Section H](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014571/M21-1-Part-IV-Subpart-ii-Chapter-2-Section-H-Special-Monthly-Compensation-SMC?query=special%20monthly%20compensation) - Special Monthly Compensation (SMC)
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**VA Forms**

* [SF 180](https://www.archives.gov/files/sf180-request-pertaining-to-military-records-exp-2021.pdf)*,**Request Pertaining to Military Records*
* [DD Form 149](https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0149.pdf)*, Application for Correction of Military Record*
* [DD Form 293](http://arba.army.pentagon.mil/documents/DDForm293.pdf)*, Application for the Review of Discharge or Dismissal from the Armed Forces of the United States*
* [21-0966](https://www.vba.va.gov/pubs/forms/VBA-21-0966-ARE.pdf), *Intent to File a Claim for Compensation and/or Pension*, *or Survivors Pension, and/or DIC)*
* [21-526EZ](https://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21-526EZ-ARE.pdf), *Application for Disability Compensation and Related Compensation Benefits*
* [21-4140](https://www.vba.va.gov/pubs/forms/VBA-21-4140-ARE.pdf), *Employment Questionnaire*

**Intranet**

* [38 CFR 3.4](https://www.benefits.va.gov/warms/bookb.asp), Compensation
* [38 CFR 3.303](https://www.benefits.va.gov/warms/bookb.asp), Principles relating to service connection
* [38 CFR 3.307](https://www.benefits.va.gov/warms/bookb.asp), Presumptive service connection for chronic, tropical, or prisoner-of-war-related disease, or disease associated with exposure to certain herbicide agents; wartime and service on or after January 1, 1947
* [38 CFR 3.310](https://www.benefits.va.gov/warms/bookb.asp), Proximate results, secondary conditions
* [38 CFR 3.340](https://www.benefits.va.gov/warms/bookb.asp), Total and permanent total ratings and unemployability
* [38 CFR 3.341](https://www.benefits.va.gov/warms/bookb.asp), Total disability ratings for compensation purposes
* [38 CFR 3.350](https://www.benefits.va.gov/warms/bookb.asp), Special monthly compensation ratings
* [38 CFR (Part 4)](https://vbaw.vba.va.gov/bl/21/Publicat/Regs/Part4/toc.htm), Rating Schedule

**Internet**

* National Cemetery Administration:
* [www.cem.va.gov](http://www.cem.va.gov)
* National Archives
* [www.archives.gov](http://www.archives.gov)
* Veterans Benefits Administration-YouTube Channel
* Video (3:19): [Compensation 101: How did I get this rating?](https://www.youtube.com/watch?v=oM7oYzL2DCg)

# Introduction

As a Public Contact Representative (PCR) in the National Contact Center (NCC), you receive inquiries from Veterans, their family members, and other interested parties related to disability compensation offered by the Department of Veterans Affairs (VA). This lesson is an introduction to disability compensation to help address those inquiries during call interactions. To enhance your learning, the lesson will include knowledge checks and refer to VA reference material.

## Key Terms

To help grasp an understanding of disability compensation, PCRs should be familiar with these key terms:

* Service-connection
* Compensation
* Disability Compensation

### Service-Connection

Service-connection describes an injury or disease, shown by evidence, that results in a disability linked to service in the military.

Compensation

Compensation is a monthly payment made by VA to a Veteran because of service-connected (SC) disability.

### Disability compensation

Disability compensation is a benefit paid to Veterans because of conditions, injuries or diseases that were incurred during active duty, active duty for training or inactive duty for training

# Disability Compensation Overview

Disability compensation is a tax-free monetary benefit paid monthly to Veterans for:

* Disabilities that are the result of a disease or injury incurred or aggravated during active military service
* Disabilities after service that are considered related or secondary to disabilities that occurred in service
* Disabilities that are presumed to be related to circumstances of military service

VA rates Veterans, in increments of 10, from 0% to 100% to reflect the degree of disability. A Veteran rated 0% is considered SC but is not compensable. VA disability compensation payment begins at the 10% rating. The amount of disability compensation is based on rate tables established by law.

The disability compensation payment amount will vary based on the degree of disability and the number of dependents a Veteran claims. A Veteran is not eligible for dependency compensation until rated 30% or more disabled. Additionally, certain Special Monthly Compensation (SMC) benefits may be awarded to Veterans with severe disabilities that increase the disability compensation amount.

Certain circumstances can affect the monthly amount of disability compensation paid to Veterans. The most common circumstances include:

* Military retirement payments
* Disability severance payments
* Separation incentive payments
* Debts
* Drill Pay
* Apportionments
* Veteran incarceration status

**Knowledge Check**

***Select the appropriate answer. (CLICK for the answer to display in the PowerPoint).***

*Which statement is false about disability compensation?*

1. *Disability compensation is paid to Veterans for disabilities that are presumed related to circumstances of military service.*
2. *The amount of Veterans disability compensation is based on rate tables established by law.*
3. *Disability compensation is paid to Veterans for disabilities that are secondary to disabilities occurring in military service.*
4. *Disability compensation payments start at the 30 percent rating.*

#

# Eligibility Requirements

Eligibility for Veteran disability compensation is based on:

* Qualified military service,
* Qualified character of discharge under honorable conditions, **and**
* A claimed SC disability.

## Qualified Military Service

For VA purposes, qualified military service is:

* Active duty service,
* Any period of active duty for training (ADT) during which a person is disabled or dies from a disease or injury incurred or aggravated in the line of duty, **or**
* Any period of inactive duty training during which a person is disabled or dies from a disease or injury incurred or aggravated in the line of duty or from the following conditions that occurred during training:
* Acute myocardial infarction
* Cardiac arrest, **or**
* A cerebrovascular accident.

For disability compensation benefits, there is no minimum service or wartime requirement.

### Confirming Military Service

Veterans can submit a report of separation or service discharge documentation to confirm their military service.

**A Report of Separation**

A report of separation is issued when a Servicemember performs active duty or at least 90 consecutive days of active duty training. Information shown in the report includes:

* Date and place of entry into active duty
* Date and place of release from active duty
* Last duty assignment and rank
* Military job specialty
* Decorations
* Separation information:
* Date and type of separation, the character of service, authority and reason for separation, and separation and reenlistment eligibility codes.

**Service Discharge Documents**

Service discharge documents verify a Veteran’s military service. The discharge documentation should include the Veteran’s name, rank, service number, dates of service, and character of service.

**DD Form 214**

DD Form 214 confirms a Veteran’s military service. After January 1, 1950, all military services issue the DD Form 214, *Certificate of Release or Discharge from Active Duty* (or DD 214) as a type of separation report. The DD 214 has basic information about the former Servicemember to verify military service for benefits and is the most commonly used document to confirm military service.

In your role, you may have requests to help retrieve military service records and requests to help correct military service records in order to apply for disability compensation.

For requests for military service records when VA does not have a Veteran’s record, PCRs must:

* Provide the different options (mail, fax, or email) and send [SF 180](https://www.archives.gov/files/sf180-request-pertaining-to-military-records-exp-2021.pdf), *Request Pertaining to Military Records* and where to return the form (located on the form), **or**
* Provide the [National Archives](https://www.archives.gov/veterans/military-service-records/standard-form-180) (website or telephone number and the option to transfer) as a resource.

For requests to correct military service records, PCRs must:

* Provide the different options (mail, fax, or email) to send [DD Form 149](https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0149.pdf), *Application for Correction of Military Record* and where to return the form (located on the form), **or**
* Provide the [National Archives](https://www.archives.gov/veterans/military-service-records/standard-form-180) (website or telephone number and the option to transfer) as a resource.

## Qualified Character of Discharge

Veterans must have been discharged or released under conditions other than dishonorable to be eligible for compensation benefits.

For VA purposes, a qualified character of discharge is:

* Honorable,
* Under Honorable Conditions (UHC), **or**
* General.

If VA does not find one of these terms, service records are examined and studied to

find the reason. VA has links to access a Veteran’s military history information.

Depending on what VA finds, Veterans may still qualify for benefits. A discharge determination will be made in order to determine if benefits can be granted or not.

### Disqualified Character of Discharge

As PCRs, you may have questions about the character of discharges that disqualify Veterans from compensation benefits. A disqualified character of discharge includes:

* General, under Other Than Honorable Conditions,
* Bad Conduct Discharge, **or**
* Dishonorable Discharge.

**General**

General, under Other Than Honorable Conditions, is the most severe form of administrative discharge. It is given to a Servicemember whose performance and conduct represents a serious departure from what is expected of military members.There is no entitlement to benefits, in most cases, absent a formal finding.

**Bad Conduct Discharge**

Bad Conduct Discharge is a punitive discharge that can only be given by either a Special or General Court-Martial for an offense less serious than one for which a dishonorable discharge is given. Virtually all Veteran's benefits, including compensation, are forfeited absent a formal finding.

**Dishonorable Discharge**

Dishonorable Discharge is a punitive discharge that can only be given by a General Court-Martial for a serious offense. There is no entitlement to benefits in this instance.

You can assist with inquiries related to correcting, changing, or modifying a discharge status.

For inquiries to change, correct, or modify a discharge from service status that is less than 15 years, PCRs must:

* Provide the different options (mail, fax, or email) to send [DD Form 293](http://arba.army.pentagon.mil/documents/DDForm293.pdf),

*Application for the Review of Discharge or Dismissal from the Armed Forces of the United States* and where to return the form (located on the form), **or**

* Provide the [National Archives](https://www.archives.gov/veterans/military-service-records/standard-form-180) (website or telephone number and the option to transfer) as a resource.

If the discharge from service occurred more than 15 years, PCRs must:

* Provide the different options (mail, fax, or email) to send [DD Form 149](https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0149.pdf), *Application for Correction of Military Record* **and**
* State the return location of the appropriate Board for Correction of Military Record is located on the DD Form 149, *Application for Correction of Military Record*.

Discharge status in the VA system of records include:

* HON - Honorable
* OTH - Other Than Honorable\*
* DIS - Dishonorable\*
* HVA - Honorable for VA Purposes\*
* DVA - Dishonorable for VA Purposes
* UHC - Under Honorable Conditions\*

##

## Claimed SC Disability

For a claimed SC disability, the evidence must show a disease or injury linked to service. For VA purposes, service-connection types include:

* Direct
* Secondary
* Presumptive
* Aggravated

### Direct Service Connection

Direct service connection refers to a particular disease or injury was incurred in service. The evidence must show a link establishing that the current disability had its onset or inception in service. VA will review evidence using principles of chronicity and continuity for direct service-connection.

Chronicity refers to the claimed disability medically diagnosed in-service as ongoing and is not an isolated finding. If chronicity cannot be established, then continuity is considered. Continuity refers to evidence of the claimed disability notable in-service and persisted after service.

### Secondary Service Connection

Secondary service connection refers to a disability due to, or the result of, a SC condition including the increase in severity of a non-service-connected (NSC) disability that is attributable to aggravation by an SC disability.

SC on a secondary basis requires a showing of causation. A showing of causation requires that the secondary disability be shown to be proximately due to, or the result of, an SC condition.

### Aggravated Service Connection

Aggravated Service Connection refers to a disability existed before service, but worsened beyond what is considered normal progression as a result of service.

### Presumptive Service Connection

Presumptive Service Connection is determined based on where, when, or how the Veteran served. VA presumes that certain disabilities were caused by military service. The list of certain disabilities is revised as medical research advances.

**Knowledge Check**

***State the appropriate answer. (CLICK for the answer to display in the PowerPoint).***

1. *Name the three eligibility requirements for Veteran disability compensation?*
2. *What is the form number and name* *for requests to correct military service records?*
3. *What is the form number and name for requests to correct military discharge status?*
4. *Name the four types of service-connection.*

# Applying for Disability Compensation

Veterans must file a complete claim, using the prescribed standard form, before a

claim will be accepted and established. A complete claim is a completely filled-out standard VA form.

## Intent to File (ITF) Claim Process

An ITF for benefits means the claimant stated a desire to apply for benefits. Simply asking about a benefit or eligibility criteria is not enough to establish intent. The methods to file an ITF claim include:

* Initiation of an electronic claim by the claimant via eBenefits or

by a Veterans Service Organization (VSO) representative via the Stakeholder Enterprise Portal,

* Written on the new intent to file form, [21-0966](https://www.vba.va.gov/pubs/forms/VBA-21-0966-ARE.pdf), *Intent to File a Claim for Compensation and/or Pension*, or Survivors Pension, and/or DIC), **or**
* Oral communication to a VA contact center or other public contact employees.

As PCRs in the contact center, you can initiate most ITF claims during call interactions on behalf of a claimant.

### PCR ITF Procedures

PCRs must follow ITF procedures outlined in KM article [Standard Claims and Appeals Forms – Background Information, Procedural Guidance, Script and FAQs](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000009618/Standard-Claims-and-Appeals-Forms-Background-Information-Procedural-Guidance-Script-and-FAQs).

## Application for Disability Compensation

Claimants must complete and return VA Form [21-526EZ](https://vbaw.vba.va.gov/bl/20/cio/20s5/forms/VBA-21-526EZ-ARE.pdf), *Application for Disability Compensation and Related Compensation Benefits*.

For application requests PCRs should follow the request for proper application form procedures which include providing the different options (mail, fax, or email) to receive VA Form 21-526EZ, *Application for Disability Compensation and Related Compensation Benefits* and where to return the form and supporting documents.

## Advancing the Claim Development Process

Veterans can advance the development of their disability compensation claim to accelerate a rating decision from the VA.

### Pre-Discharge Claims

Pre-Discharge claims allow Servicemembers to apply for disability compensation benefits prior to separation from the military.

**The Benefits Delivery at Discharge (BDD) Program**

The BDD program allows a Servicemember with at least 90 days, but not more

than 180 days, remaining on active duty to file a VA disability claim before separation. The goal is to decide entitlement to VA benefits the day after discharge.

KM article [Benefits Delivery at Discharge (BDD)](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000068179/Benefits-Delivery-at-Dischage-BDD?query=pre-discharge) provides additional information.

**Integrated Disability Evaluation System (IDES)**

The IDES process evaluates, retains, separates, compensates, or retires Servicemembers who are wounded, ill, or injured, and who may no longer able to meet military obligations due to physical or mental disability.

KM article [Integrated Disability Evaluation System (IDES)](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000221337/Integrated-Disabilitly-Evaluation-System-IDES) provides additional information.

### ***Fully Developed Claim (FDC) Program***

The FDC program is the fastest way to process a VA claim. Veterans (and other claimants) must:

* Submit the claim on a signed and completed VA form for benefits,
* Simultaneously submit all necessary information and evidence

to decide the claim, **and**

* Certify no further evidence is needed to decide the claim.

If VA determines other records exist and need the records to decide the claim, the claim will be removed from the FDC Program and processed in the standard claims process.

KM article [Fully Developed Claim Program FAQs](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000003310/Fully-Developed-Claim-Program-FAQs?query=fully%20developed%20claim%20program) provides additional information. VA Form 21-526EZ includes a list of all required information and forms that are necessary to submit with an application for the claim to be processed under the FDC program.

**Knowledge Check**

***State the appropriate answer. (CLICK for the answer to display in the PowerPoint).***

1. *Name the two claim processes that can accelerate the rating decision for disability compensation claims.*
2. *What is the name of VA form* [*21-0966*](https://www.vba.va.gov/pubs/forms/VBA-21-0966-ARE.pdf)*?*
3. *What is the name of the KM article that provides the procedural guidance for an ITF?*

# Identifying Disability Compensation Claims

As PCRs, you must be able to distinguish between the various types of disability compensation claims in the VA system of records.

## Types of Disability Compensation Claims

Common types of Veteran disability compensation claims include:

* Initial Disability Compensation Claim (EP 010)
* Refers to an initial disability compensation claim containing eight issues or more
* Initial Disability Compensation Claim (EP 110)
* Refers to an initial disability compensation claim containing seven issues or less
* Compensation Claims or SC death claims (EP 020)
* Refers to disability compensation or SC death claims received after an initial eligibility decision has been made
* Supplemental Claims (EP 040)
* Refers to a disagreement with the decision VA made on an initial or supplemental claim for the same or similar benefit on the same or similar basis
* Based on a new theory of entitlement due to new and relevant evidence
* Formerly known as reconsideration and request to reopen a previously decided claim
* Disability Dependency Claims (EP 130)
* Refers to all actions involving dependency determinations
* Pre-Discharge Claims – BDD (EP 336)
* Refers to Pre-Discharge claims received without service treatment records (STRs)

KM article [EP (End Product) Codes](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000003408/EP-End-Product-Codes) can be used as a resource.

# Disability Compensation Ratings

A Rating Veterans Service Representative (RVSR) or Decision Review Officer (DRO) will review all the available evidence for the disability compensation claim, apply the [VA Rating Schedule](https://vbaw.vba.va.gov/bl/21/Publicat/Regs/Part4/toc.htm), and render the decision to grant or deny a Veteran’s claim for disability compensation. The VA Rating Schedule contains the laws and regulations for determining disability ratings. The severity of the disability will determine the percentage assigned.

As previously mentioned, VA rates Veterans, in increments of 10, from 0% to 100% to reflect the degree of disability. Disability compensation payments begin at the 10% rating. Upon completion of the claim, a decision notification letter is issued to Veterans that outline the evidence, decision, and reasons for the decision. As with all VA decisions, if Veterans do not agree with the decision, they have the right to appeal.

## Combined Disability Rate Table

When a Veteran has more than one rated condition, their disability compensation is paid according to a combined disability rating. The Combined Rating Table calculates the combined disability rating.

VA does not add individual disability percentages to determine the combined percentage. The table is based on the "whole person theory". This means that an individual with no disabilities is 100 percent able.

KM article [Combined Evaluation Calculated](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000003868/Combined-Evaluation-Calculated) can be used as a resource.

## Disability Compensation Pay Rates

The amount of basic monetary benefits varies depending upon the Veteran’s degree of disability and other awarded benefits. Other awarded benefits include Special Monthly Compensation, the number of dependents a Veteran claims, temporary ratings and an Individual Unemployability rating.

KM article [Rate Charts](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002538/Rate-Charts) can be used as a resource.

# Categories of Disability Compensation Claims

VA provides additional compensation benefits to Veterans based on SC disabilities.

## Special Monthly Compensation (SMC)

Special monthly compensation (SMC) is an added level of compensation to Veterans (above the basic levels of compensation payable based on disability ratings of 0 to 100 percent) who lost, or lost the use of, specific organs or body parts due to military service due solely to SC disabilities.

Loss, or loss of use, means amputation or no effective remaining function of an extremity or organ. A Veteran may have one or more SMC conditions. You may see SMC benefits by letter, like K, L, or S, in the system of records. The

letters refer to the paragraphs in the actual regulation. A complete list of SMC

codes and their descriptions can be found at [38 CFR 3.350](http://vbaw.vba.va.gov/bl/21/publicat/Regs/Part3/3_350.htm).

KM article [Special Monthly Compensation (SMC)](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002519/Special-Monthly-Compensation-SMC?query=special%20monthly%20compensation) can be used as a resource.

## Benefits Payable at the 100% Rate

VA offers Veterans disability compensation, based on SC disabilities, at the same level as a Veteran who has 100% disability rating.

### Paragraph 29 - Temporary 100% for Hospitalization

Veterans may receive temporary 100% payments through an approved period of hospitalization due to a SC disability.

### Paragraph 30 - Temporary 100% for Convalescence

Veterans may receive temporary 100% payments through the approved period of

convalescence following treatment of a SC disability. After the convalescence period is over, the Veteran’s evaluation and payment return to the pre-convalescence rate unless an increased evaluation is warranted. These ratings can extend up to six (6) following a convalescent rating.

KM article [Paragraph 29 and Paragraph 30 (Temporary 100%) Ready Reference](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002452/Paragraph-29-and-Paragraph-30-Temporary-100-Ready-Reference?query=what%20is%20paragraph%2029) can be used as a resource.

### Permanent and Total (P&T) Disability Rating

For VA purposes, a permanent disability exists when such impairment is reasonably certain to continue throughout the life of the disabled person. For VA purposes, total disability is any impairment of the mind or body which makes it impossible for the average person to follow a substantially gainful employment.

KM article [Permanent and Total Ready Reference](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002454/Permanent-and-Total-Ready-Reference?query=permanent%20and%20total#ptrr1) can be used as a resource.

## **Individual Unemployability (IU)**

IU allows VA to pay certain Veterans disability compensation at the 100% rate, even though VA has not rated their SC disability at the 100% level.

KM article [Individual Unemployability](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000002803/Individual-Unemployability?query=IU) can be used as a resource.

VA completes a data match with the Social Security Administration (SSA) for earned wages. A Veteran who is identified as having verified earned income over the poverty line and is also in receipt of IU will be sent a due process letter and VA Form [21-4140](https://www.vba.va.gov/pubs/forms/VBA-21-4140-ARE.pdf), *Employment Questionnaire* via the Hines Information Technology Center (ITC). The Veteran will be required to identify and explain his/her earned income via return of VA Form 21-4140. As PCRs, you will view EP 314 as an established IU claim when VA receives the report of income.

KM article [IU (Individual Unemployability) Verification Change](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001001/content/554400000096145/IU-Individual-Unemployability-Verification-Change?query=IU) can be used as a resource.

**Interactive Activity**

***True or False.***

1. *A Veteran who receives IU benefits can sustain gainful employment.*
2. *Veterans must have at least one SC disability rated at 60% or more for eligibility for IU.*
3. *IU allows VA to pay certain Veterans disability compensation at 100%, even though VA has not rated their SC disability at the 100% level.*