Pension and Fiduciary Service

PMC VSR Core Course

**Old Law and Section 306 Pension Programs**

Job Aid

June 2022

This job aid is a quick reference containing the countable income and references pertaining to Old Law pension and Section 306 pension.

Comparison of Old Law Pension and Section 306 Pension

| Old Law Program | Section 306 Program |
| --- | --- |
| References:   * **M21-1.** **IX.iii.1.C.1.a (Continuity of Entitlement)** * **M21-1 IX.iii.1.C.1.b (**Calendar Year IVAP**)** * **M21-1 IX.iii.1.C.1.e (**Old-Law Pension Countable Income**)** * **M21-1 IX.iii.2.C.1.c (When the Right of Continued Entitlement to Old Law or Section 306 Pension Is Not Protected)** * **M21-1** **IX.iii.2.C.1.d (Changing a Beneficiary’s Benefit Type)** * **M21.1 IX.iii.2.C.2.b (Action to Take When an Election is Not In the Claimant's Interest)** | **References:**   * **M21-1 IX.iii.1.C.1.a (Continuity of Entitlement)** * **M21-1 IX.iii.1.C.1.b (**Calendar Year IVAP**)** * **M21-1 IX.iii.1.C.1.c (**Section 306 Pension Countable Income**)** * **M21-1** **IX.iii.2.C.1.c (When the Right of Continued Entitlement to Old Law or Section 306 Pension Is Not Protected)** * **M21-1 IX.iii.2.C.1.d (Changing a Beneficiary’s Benefit Type)** * **M21.1** **IX.iii.2.C.2.b (Action to Take When an Election is Not In the Claimant's Interest)** |
| Phased out as of June 30, 1960 | **Phased out as of December 31, 1978** |
| Rates fixed | **Rates fixed** |
| **Retirement income counted .90 on the dollar** | **Retirement income counted .90 on the dollar** |
| **IVAP calculated based on the calendar year** | **IVAP calculated based on the calendar year** |
| **Countable income:**   * Total income from employment, business, interest or rents * Proceeds of cashed-in savings bonds * Inheritances of property or money * Welfare and SSI * Retirement type benefits, counted at 90 cents on the dollar * Life insurance proceeds and the proceeds of commercial annuities are counted at 90 cents on the dollar * Compensation for injury or death is countable at 90 cents on the dollar after deducting any medical, legal, or other expenses incident to the recovery, and * Gifts of property or money including contributions from adult children. | **Countable income:**   * Total income from employment, business (minus operating expenses), interest or rents * Income of a Veteran’s spouse in certain circumstances * Inheritances and gifts of money, including contributions from adult children * Unemployment compensation * Retirement type benefits, at 90 cents on the dollar * Life insurance proceeds and the proceeds of commercial annuities, counted at 90 cents on the dollar, and * Compensation for injury or death. |