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 |
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| 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)**
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| 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.
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