PENSION AND FIDUCIARY Service

PMC VSR Advanced Core Course Phase 6: Practical Application and Experience

Process Income and Net Worth Adjustment Claims

Appendix A

July 2024

| Learning Objectives | References (Utilize Income, Net Worth, Initial Year Job Aids) |
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| Prescribed Forms  | * **M21-1 II.iii.1.A.1.a (Requirements for a Complete Claim Received on or After March 24, 2015)**
* **M21-1 II.iii.1.A.1.b (Situations Not Requiring a Prescribed Form)**
 |
| Confirm Claim Types | * **Pension Systems and Applications** Job Aid
* M21-1 II.iii.2.A (Intent to File (ITF))
* M21-1 II.iii.2.B (Supplemental Claims)
* M21-1 II.iii.2.E (Incorrectly Established Claims)
* M21-1 II.iii.2.G (Request for Applications and Claims Solicitation)
 |
| Confirm End Product  | * **End Product (EP)**
	+ M21-4 Appendix B (End Product (EP) Codes)
 |
| Income and Net Worth Development  | * M21-1 IX.i.3.A (General Information on Pension Income and Net Worth Development)
* M21-1 IX.i.3.B (Income and Net Worth Development Forms and Acceptable Statements)
* M21-1 IX.i.3.C (Pension Income Development)
* M21-1 IX.i.3.D (Reduction of Income Due to Unreimbursed Expenses)
 |
| Development and Due Process  | **Development** * M21-1 III.i.2.A.1.b (Who Is Responsible for Obtaining Evidence to Substantiate a Claim)
* M21-1 III.i.2.A.1.g (Handling Concurrent Development Actions and Taking Necessary Claim Actions)
* M21-1 III.i.2.D.1.a (Written Requests for Evidence)
* M21-1 III.i.2.D.1.b (Notice of Time Limits to Submit Evidence)
* M21-1 III.i.2.D.1.c (Clarifying Issues and Claims)
* M21-1 III.i.2.D.1.d (Claims Development by E-Mail, Telephone, and Electronic Means)
	+ M21-1 III.i.2.D.1.e (Documenting Information Received by Telephone)
	+ M21-1 III.i.2.D.1.f (Handling Information Received by Telephone That Might Affect Benefits)
	+ M21-1 III.i.2.D.1.g (Referencing Information Received by Telephone in Decision Notices)
* M21-1 III.i.2.D.2.a (Time Limit for Responding to a Request)
	+ M21-1 III.i.2.D.2.b (Next Steps After Sending a Request for Evidence)
	+ M21-1 III.i.2.D.2.c (Incomplete Responses That Justify Award Action)
	+ M21-1 III.i.2.D.2.d (Situations Warranting Extension of the 30-Day Time Limit)
	+ M21-1 III.i.2.D.2.e (What an Extension of the 30-Day Time Limit Does Not Affect)
	+ M21-1 III.i.2.D.2.f (Situations That Do Not Warrant Extension of the 30-Day Time Limit)
* M21-1 III.i.2.D.4.a (Requirement to Certify Eligibility and Continued Entitlement)
	+ M21-1 III.i.2.D.4.b (Procedure for Certifying Eligibility and Continued Entitlement)
	+ M21-1 III.i.2.D.4.c (Example: Situation Requiring Certification of Eligibility and Continued Entitlement)

**Due Process** * M21-1 X.ii.3.A.1.a (Benefit Changes Requiring a Notice of Proposed Adverse Action)
* M21-1 X.ii.3.A.1.b (Requirement of Notice for a Proposed Adverse Action)
* M21-1 X.ii.3.A.2.a (Required Elements for Notice of Proposed Adverse Action)
* M21-1 X.ii.3.A.2.b (Description of Elements in Notice of Proposed Adverse Action)
* M21-1 X.ii.3.A.3.a (Process for Notices of Proposed Adverse Action)
* M21-1 X.ii.3.A.3.b (Determining Where to Send the Notice of Proposed Adverse Action)
* M21-1 X.ii.3.A.3.d (Providing Due Process Under the Correct Regulatory Provision)
* M21-1 X.ii.3.A.3.e (Sending Corrected Notice of Proposed Adverse Action)
	+ M21-1 X.ii.3.A.3.f (Examples: Situations Involving Corrected Notice of Proposed Adverse Action)
* M21-1 X.ii.3.A.4.a (References for Topics Specific to Due Process)
 |
| COLA (Cost of Living Adjustment)  | * M21-1 IX.iii.1.H.3.c. (Normal Impact of Social Security COLA on the Current-Law Pension Rate)
* M21-1 IX.iii.1.H.3.d. (Reduction in Rate of Current-Law Pension Due to Social Security’s COLA)
	+ M21-1 IX.iii.1.H.3.e (Report of Death and Due Process)
	+ M21-1 IX.iii.1.H.3.f/g (Examples)
* M21-1 IX.iii.1.H.3.h. (Reduction in Rate of Current-Law Pension Due to Other Benefit Program’s COLA)
* M21-1 IX.iii.1.H.3.i. (Original, New, or Suspended Awards)
	+ M21-1 IX.iii.1.H.3.j. (Example: Original, New, or Suspended Awards)
* M21-1 IX.iii.1.H.3.k. (Retroactive Increases)

M21-1 IX.iii.1.H.3.l/m (Examples: Retroactive Increases) |
| Income Adjustment  | * M21-1 IX.iii.1.A.6.a (Award Adjustments)
* M21-1 IX.iii.1.A.6.b-d (Examples of Award Adjustments)
* M21-1 IX.iii.1.A.6.e (Reduction or Discontinuance of an Award After Receipt of Non-Recurring Income)
* M21-1 IX.iii.1.A.6.f/g (Examples of Reduction/Discontinuance of Award)
* M21-1 IX.iii.1.A.6.h (Increases Resulting Solely From the Enactment of Legislation)
* M21-1 IX.iii.1.H.1.a (Counting Income)
* M21-1 IX.iii.1.H.1.b (Time Limit to Furnish Amended Income Information to Increase Rate)
* M21-1 IX.iii.1.H.1.c (Definition: Same Calendar Year Under 38 CFR 3.660(b)(1))
	+ M21-1 IX.iii.1.H.1.d-f (Examples: Time Limit to Furnish Amended Income Information to Increase Rate)
* M21-1 IX.iii.1.H.1.g (Time Limit to Submit Amended Income Information When a Pension Award Is Discontinued Because IVAP Exceeds the MAPR)
* M21-1 IX.iii.1.H.1.h (Continuing Entitlement Established)
* M21-1 IX.iii.1.H.1.i (Payment of Pension After a Break in the Entitlement)
	+ M21-1 IX.iii.1.H.1.j-l (Examples: Payment of Pension After a Break in Entitlement)
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| Income Classifications   | * M21-1 IX.iii.1.E.5.a (Rationale for Classifying Income)
* M21-1 IX.iii.1.E.5.b (Types of Income)
* M21-1 IX.iii.1.E.5.c (Definition: Nonrecurring Income)
* M21-1 IX.iii.1.E.5.d (Definition: Recurring Income)
* M21-1 IX.iii.1.E.5.e (Definition: Short-Term Recurring Income)
* M21-1 IX.iii.1.E.5.f (Definition: Irregular Income)
 |
| Counting IVAP  | * M21-1 IX.iii.1.E.6.a (Counting Nonrecurring Income)
	+ M21-1 IX.iii.1.E.6.b-d (Examples: Counting Nonrecurring Income)
* M21-1 IX.iii.1.E.6.e (Counting Recurring Income)
	+ M21-1 IX.iii.1.E.6.f-h (Examples: Counting recurring Income)
* M21-1 IX.iii.1.E.6.i (Counting Irregular Income)
	+ M21-1 IX.iii.1.E.6.j-l (Examples: Counting irregular Income)
* M21-1 IX.iii.1.E.6.m (Irregular Income and Original or New Awards)
* M21-1 IX.iii.1.E.6.n (Irregular Income and the End-of-the-Month Rule)
* M21-1 IX.iii.1.E.6.o (Reclassifying Income as Irregular Income)
* M21-1 IX.iii.1.E.6.p (Counting Short-Term Recurring Income)
* M21-1 IX.iii.1.E.6.q (Counting Hard-to-Classify Income)
* M21-1 IX.iii.1.E.6.r (Income Received Before the Effective Date of the Award)
	+ M21-1 IX.iii.1.E.6.s (Example: Income Received Before Effective Date of Award)
	+ M21-1 IX.iii.1.E.6.t (Example: Income Received Before Date of Death)
* M21-1 IX.iii.1.E.6.u (Date of Receipt of Income Is Not Known)
* M21-1 IX.iii.1.E.6.v (Determining When Income Is Received)
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| Net Worth  | * M21-1 IX.iii.1.J.1.a (Impact of the Claimant’s Net Worth on VA Benefits)
* M21-1 IX.iii.1.J.1.b (When to Consider the Net Worth of the Spouse)
* M21-1 IX.iii.1.J.1.c (When to Consider the Net Worth of the Child)
* M21-1 IX.iii.1.J.1.d (Net Worth of a Child Entitled in Their Own Right)
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| Net Worth Definitions  | * M21-1 IX.iii.1.J.1.g (Definition: Assets)
* M21-1 IX.iii.1.J.1.h (Definition: Fair Market Value)
* M21-1 IX.iii.1.J.1.k (Convertibility of Assets)
	+ M21-1 IX.iii.1.J.1.l-o (Examples: Convertibility of Assets)
* M21-1 IX.iii.1.J.4.a (Bright line Net Worth Limits)
* M21-1 IX.iii.1.J.5.b (Definition: Look-Back Period)
* M21-1 IX.iii.1.J.5.g (Definition: Covered Asset)
* M21-1 IX.iii.1.J.5.h (Definition: Covered Asset Amount)
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| Net Worth Adjustment  | * M21-1 IX.iii.1.J.1.r (Discontinuance for Excessive Net Worth)
* M21-1 IX.iii.1.J.1.s (Payment of Benefits Based on the Reconsideration of Net Worth)
	+ M21-1 IX.iii.1.J.1.t/u (Examples: Adjusting Veterans Pension Awards Based on Changes in Net Worth)
* M21-1 IX.iii.1.J.4.d. (When to Calculate Net Worth)
	+ M21-1 IX.iii.1.J.4.e-f (Examples: Calculating Net Worth)
* M21-1 IX.iii.1.J.4.g. (How Net Worth Decreases)
	+ M21-1 IX.iii.1.J.4.h-i (Examples: Decrease in Assets After a Denial for Excessive Net Worth)
* M21-1 IX.iii.1.J.4.j. (Net Worth and FTI)
* M21-1 IX.iii.1.J.4.k. (Specific Exclusions from Assets)
* M21-1 IX.iii.1.J.4.l. (Annuities, Trusts, or Other Similar Financial Instruments as Net Worth)
	+ M21-1 IX.iii.1.J.4.m. (Example: Excluding Annuity Income from Net Worth Calculation)
* M21-1 IX.iii.1.J.5.a (General Policy Statement on Asset Transfers)
* M21-1 IX.iii.1.J.5.c (Transfers for Less Than Fair Market Value)
	+ M21-1 IX.iii.1.J.5.d/e (Example: Transfer for Less Than Fair Market Value)
* M21-1 IX.iii.1.J.6.a (Current Value of Property)
* M21-1 IX.iii.1.J.6.b (Sources of Information About Property Value)
* M21-1 IX.iii.1.J.6.c (Excluding the Value of a Primary Residence)
* M21-1 IX.iii.1.J.6.e (Determining the Residential Lot Area for Claims Received on or After October 18, 2018)
* M21-1 IX.iii.1.J.6.f (Dual-Use of Property)
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