Pension and fiduciary service

PMC VSR Advanced Core Course

Phase 6: Practical Application and Experience

Process Income and Net Worth Adjustment Claims

Appendix B

July 2024

Determine Action for Changes to Income and Net Worth Worksheet

Based on the information from each scenario, answer the corresponding questions. Refer to the following job aids to complete the activity/exercise:

* **Income and Net Worth Status** job aid
* **Initial Year** job aid
* **Time Limits** job aid

Scenario 1: Income Change

Veteran John is in receipt of Veteran pension benefits based upon no income. The Veteran submits a claim for an income adjustment on a VA Form 21-4138, Statement in Support of Claim, received April 20, 2022. On this form, he states that he began receiving retirement income of $300.00 monthly.

Scenario 1 Questions

1. Is the information submitted considered first party or third party?
2. What information is missing?

Scenario 2 Income Change

Surviving spouse Shirley is in receipt of VA survivor's pension, based only on her small monthly retirement amount of $150.00 monthly. She submits handwritten correspondence on July 10, 2021, that states "I will begin receiving Social Security benefits in the amount of $567.00 gross monthly, beginning August 1, 2021." Accompanying the claim is a letter that Shirley received from the Social Security Administration (SSA) that verifies this information.

Scenario 2 Questions

1. Social security income is classified as what type of income?
2. Would the amended income increase or reduce the award?

Scenario 3: Income Change

Veteran Abdul is in receipt of Veteran pension benefits based on his income of $300.00 monthly for his retirement pension and $300.00 monthly from Social Security. The Veteran submits a claim on June 12, 2021, on a VA Form 21-4138, Statement in Support of Claim, that states " My retirement pension has been reduced to $200.00 monthly beginning April 17, 2021."

Scenario 3 Questions

1. Would the amended income increase or reduce the award?
2. Can action be taken to process the income adjustment based on the information received?

Scenario 4: Income Change

Surviving spouse, John is in receipt of survivor’s pension benefits based on income of $200.00 monthly from Social Security and no medical expenses. The surviving spouse submits a claim on June 12, 2021, on a VA Form 21-4138, Statement in Support of Claim, that states "I received an inheritance of $20,000.00 on June 5, 2021."

Scenario 4 Questions

1. Would the amended income increase, reduce, or terminate the award?
2. What is the period for counting this income? When would benefits be resumed?

Scenario 5: Net Worth Change

On May 15, 2022, VA received a VA Form 21-4138, Statement in Support of Claim, from Veteran Dolores. She reported that she sold her primary residence on January 21, 2022 and received a lump sum payment in the amount of $25,000.00. We have previously been considering net worth of $10,000.00.

Scenario 5 Questions

1. What is outcome of the amended net worth?
2. What is the bright line limit effective January 21, 2022?

Scenario 6: Net Worth Change

Karen Veteran submits VA Form 21-527EZ, Application for Pension Benefits, along with VA Form 21-0969, Income and Asset Statement in Support of Claim on March 20, 2022. Karen reports the following income, assets, and medical expenses:

* Assets: 100,000
* Income: $1,000 monthly ($12,000 annually)
* Continuing Medical Expenses (CMEDS): $6,000

Scenario 6 Questions

1. What is the Veteran’s calculated net worth?
2. Is the Veteran’s net worth within the bright line limit?

Scenario 7: Net Worth Change

The VA received a VA Form 21-4138, Statement in Support of Claim, from Camilla, a surviving spouse, on June 20, 2021. She indicated that her painting titled 'All That Matters' by Harold increased in value to $125,000.00 effective May 25, 2021. The painting was initially reported on her application being worth $35,000.00. Besides the painting, she also has the following income, medical expenses, and other assets:

* Checking account: $15,000.00
* Income: $1,000 monthly ($12,000 annually)
* Continuing Medical Expenses (CMEDS): $36,000

Scenario 7 Questions

1. What is the Veteran’s calculated net worth?
2. Is the Veteran’s net worth within the bright line limit? If no, what is the effective date her award should be discontinued?