Pension and Fiduciary Service

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

Process a Post Award Audit (PAA) Award Adjustment

Trainee Guide

June 2024

Process a Post Award Audit (PAA) Award Adjustment

Lesson Overview

| Topic | Description |
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| Time Estimate: | 2 hours |
| Purpose of the Lesson: | This lesson is part of the entry-level course for PMC VSRs. The purpose of this lesson is to train PMC VSRs to process a PAA award adjustment through demonstration, practice, and feedback. |
| Prerequisite Training Requirements: | Prior to taking the Process a Post Award Audit (PAA) Award Adjustment lesson, you must complete the entry-level course Phases 1–5.6. |
| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * **38 CFR 3.271 (Computation of income)** * **38 CFR 3.272 (Exclusions from income)** * M21-1 IX.iii.1.E.7.i (Counting the Initial 12 Months of Income for Disallowed Claims) * M21-1 IX.iii.1.E.7.j (Counting the Second 12 Months of Income for Disallowed Claims) * M21-1 XIV.4.B.2.j (FTI Tracking Log [VSC and PMC]) * M21-1 XIV.4.C.1.a (Definition: PAA) * **M21-1** XIV.4.C.1.b **(Overview of the Match)** * M21-1 XIV.4.C.1.c (OPA&I Filtering of Matches) * M21-1 XIV.4.C.1.d (Hines ITC Filtering of Matches) * M21-1 XIV.4.C.1.f (PAA EP) * M21-1 XIV.4.C.1.h (Periodic Release Dates for PAA) * M21-1 XIV.4.C.3.b (Additional Development) * M21-1 XIV.4.C.3.c (Finalizing the PAA Claim) * M21-1 XIV.4.C.3.d (Example 1 of Final Award Action) * M21-1 XIV.4.C.4.c (Determining Income Classification) * **Process a PAA Award Adjustment Checklist** job aid |
| Technical Competencies: | * Processing Claims (PMC VSR) * Income Counting and Net Worth * Special Monthly Pension (SMP) Processing * VBA Applications (PMC VSR) * Program Benefits and Eligibility (PMC VSR) |
| Knowledge Check: | Phase 6: Process a Post Award Audit (PAA) Award Adjustment Knowledge Check |
| Lesson Objectives: | By the end of the lesson, you should be able to:   * Process a PAA award adjustment * Identify if EP 154 was established. * Maintain the tracking log. * Determine evidence was received. * Determine if additional development is required. * Apply due process, if necessary. * Determine the income classification. * Determine if an interim decision can be made. * Process the award adjustment |
| What You Need: | * Trainee Guide * **Upfront Verification** job aid * **Care Expense Guide job aid** * **Income and Net Worth Status job aid** * **Initial Year job aid** * **Develop for Missing Information/Evidence job aid** * **Annotate the Award job aid** * **SSA Inquiry job aid** * **Due Process job aid** |

| PowerPoint Slides | Notes |
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| Process a Post Award Audit (PAA) Award Adjustment |  |
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| Why It Matters!   * The **Post Award Audit (PAA) Award Adjustment** training is important because it affects the award payments of the claimant or beneficiary based on information obtained from other government sources. |  |
| **Definition: What is a Post Award Audit (PAA)?**   * **A post award audit (PAA) is an automated process that randomly select cases periodically (first, third, and fourth quarter of the calendar year)** * **Compares the social security and IRS income reported to the amount that is actually received (i.e., Federal Tax Information [FTI] match)** * **Hines Information Technology Center (ITC) filters out cases in accordance with M21-1** XIV.4.C.1.d **(Hines ITC Filtering of Matches)** * **PMC VSRs receive cases not filtered out by Hines** |  |
| Review–Establishing Periods for Calculating Income   * **Initial Year** jobaid * **Income and Net Worth Status** job aid * Dates of eligibility   + Calculation of income   + Deduction of expenses   + Time limits for establishing entitlement * Period for establishing entitlement * Effective date vs. payment date * Initial year/initial period * Second 12 months |  |
| Review—Types of Income for Pension Purposes   * **Income and Net Worth Status** job aid * **SSA Inquiry** job aid * **Initial Year** job aid * Income for VA Purposes (IVAP) * Income inclusions/exclusions |  |

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| Review—Qualifying Expenses for Calculating Income   * **Care Expense Guide** job aid * **Claim Types** job aid * **Income and Net Worth Status** job aid * **Initial Year** job aid * MAPR rates * Qualifying medical expenses * Final expenses * Education expenses |  |
| Review—Income and Net Worth   * **Income and Net Worth Status** job aid * **Claim Types** job aid * Net worth for VA purposes * Sources of net worth * Calculation of net worth * Net worth is a bar to benefits |  |
| Review—Developing for Missing Information/Evidence   * **Develop for** **Missing Information/Evidence** job aid * Can determine whether to complete an adjustment or interim adjustment based on what is received from the claimant |  |

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| PowerPoint Slides | **Notes** |
| Review—Qualifying Expense Adjustments   * **Care Expense Guide** job aid * **Income and Net Worth Status** job aid * **Initial Year** job aid |  |
| Review–Processing Award Adjustments   * **Care Expense Guide** job aid * **Income and Net Worth** job aid * **Initial Year** job aid   + **Review the Income/Expenses/Net Worth Adjustments section** |  |
| Review–Due Process   * **Due Process** job aid * Due process vs. contemporaneous notice |  |
| **Lesson Overview**   * **Demonstration—Instructor processes a PAA claim from start to finish with opportunities for questions.** |  |

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| PowerPoint Slides | **Notes** |
| ****Demonstration Claim 1—**** Process a PAA Award Adjustment  Indicates a demonstration should be performed   * Demonstration Claim 1—   + Review VBMS, VBMS-A and SHARE   + Compare the income we are currently counting vs. what was listed in the Worksheet and Compressed Letter |  |
| ****Claim 1—****Identify if EP 154 Was Established  Indicates a demonstration should be performed   * Suspense date is automatically set for 65 days * Only one EP 154 is allowed per beneficiary record |  |
| Claim 1— Determine if Additional Development is Required  Indicates a demonstration should be performed   * Allow 30 days development if a response or evidence is received from the beneficiary that requires clarification or additional information * Conduct due process if information is received from a third party and will adversely affect the award |  |
| ****Claim 1—**** ****Determine Income Classification and Countable Income****  Indicates a demonstration should be performed   * **Upfront Verification** job aid * **Income and Net Worth Status** job aid * **Compare the income reported in the PAA worksheet to the income in the beneficiary’s eFolder.** |  |
| ****Determine if an Interim Decision Can be Made****  Indicates a demonstration should be performed   * **Review the evidence received from the beneficiary** * **Process an interim adjustment if the evidence received could be used to adjust the benefit given further development** * **Document the decision in the PAA tracking log** |  |
| Claim 1—Perform the Award Adjustment   * **Upfront Verification** job aid * Generate the award in VBMS * Route claim to authorizer through National Work Queue |  |
| PowerPoint Slides | **Notes** |
| Claim 1—Prepare the Decision Notice   * Clear EP 154 * Create decision notice in PCGL * Letter must state decision, even if no adjustment was made * Document in the PAA tracking log |  |
| Claim 1—Submit to the Authorizer   * Submit completed claim and decision notice to the Authorizer * **Annotate the Award Checklist** job aid |  |
| Knowledge Check – TEST    Time allowed: 10 minutes |  |
| What’s Next?  Complete the Process a Post Award Audit (PAA) Award evaluation: **TMS ID #4408416** |  |