Pension and Fiduciary Service

PMC VSR Intermediate Core Course  
Phase 5: Proficiency Development  
Part 1(c): Income Eligibility

Establish Periods for Calculating Income

Trainee Guide

July 2024

Establish Periods for Calculating Income

Lesson Overview

| Topic | Description |
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| Time Estimate: | 2 hours |
| Purpose of the Lesson: | The purpose of this lesson is to prepare PMC VSR on selecting the correct dates and periods of time for calculating income when determining eligibility. |
| Prerequisite Training Requirements: | Prior to taking the Establish Periods for Calculating Income lesson, trainees must complete PMC VSR Core Course Phases 1–5.1.b. |
| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * 38 CFR 3.31 (Commencement of the period of payment) * 38 CFR 3.400—3.404 (Effective Dates) * M21-1 IX.i.3.A.3 (Income and Net Worth Reporting Periods) * M21-1 IX.iii.1.A (General Information on the Effect Income and Net Worth Have on Pension and Parents’ Dependency and Indemnity Compensation (DIC)) * M21-1 IX.iii.1.E.7 (Counting Income During the Initial Year) * M21-1 IX.iii.1.G.4.q (Overlapping Initial Year and Calendar Year Periods) * M21-1 IX.iii.1.H.1 (Adjustments Based on Changes in Income) * **Income and Net Worth Status job aid** * **Initial Year** job aid |
| Technical Competencies: | * Income Counting and Net Worth * Program Benefits and Eligibility (PMC VSR) |
| Lesson Objectives: | * Establish periods for calculating income.   + Select the effective date.   + Derive the payment date.   + Select the dates of initial year period.   + Select the dates of the overlap period between the initial year and calendar year.   + Select the dates beginning and ending the second 12-month period. |
| What You Need: | * Access to the following job aids from VSR Assistant:   + **Income and Net Worth Status job aid**   + **Initial Year** job aid * Appendix A: Establishing Dates for Calculating Income worksheet * Example claim materials:   + Claim 1: Original claim for Veterans Pension   + Claim 2: Original claim for Survivors Pension |

| PowerPoint Slides | Notes |
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| Establish Periods for Calculating Income |  |
| **Objectives**   * Establish periods for calculating income * Select the effective date * Obtain the payment date * Select the dates of initial year period * Select the dates of the overlap period between the initial year and calendar year * Select the dates beginning and ending the second 12-month period |  |
| **Why It Matters**   * This course is important because it focuses on selecting the correct dates for establishing the time periods used to calculate Income for VA Purposes (IVAP).   + Using incorrect dates may result in errors in denying or awarding benefits. |  |
| **Definitions**   * The ***payment date*** is the date an award is effective. * The ***effective date*** or ***entitlement date*** is the date a claimant is entitled to benefits under the existing law. * The ***initial year*** for a pension award extends from the effective date of the award (or the date of the Veteran’s death, if later than the effective date) to 12 months after the payment date.   + the initial year ranges in length from 12 months plus the stub month (up to 13 months) and does not coincide with a calendar year   + “initial year” and “initial period” refer to the same period of time and are used interchangeably |  |
| Overview of Dates and Periods When Calculating Income  Example of initial year, calendar year and overlap period with the following dates: 5/13/2016 Entitlement date/effective date; beginning of initial year 6/1/2016 Date of payment  5/13/2016 to 12/31/2016  A period 12/31/2016 End of A period 1/1/2017 beginning of first full calendar year 1/1/2017 to 5/31/2017 Overlap period or B period 5/31/2017 End of initial year 6/1/2017 to 12/31/2017 C period 12/31/2017 End of first full calendar year |  |

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| Relevance of Dates for Eligibility   * Calculation of income * Deduction of expenses * Time limits for establishing entitlement |  |
| Determine Period for Establishing Entitlement   * Effective date * Entitlement date * Financial decision effective date * Payment date * Initial year * Initial period * Same calendar year * Period A * Period B |  |

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| Effective Date for Survivor Benefits   * 38 CFR 3.400(c)(3): Nonservice-connected death after separation from service   + First day of the month in which the Veteran’s death occurred if claim is received within 1 year after the date of death; otherwise, date of receipt of claim or intent to file   + The effective date for countable income and expenses is the date of the Veteran’s death if the claim is received within 1 year after the date of death, or the date of receipt of claim or intent to file |  |
| Exercise: Effective Date and Payment Date   * Instructions:   + Work with a partner.   + Complete Part A of the Establishing Dates for Calculating Income worksheet.   + Be prepared to share your answers with the class.   **Time allowed: 15 minutes.** |  |
| Exercise: Effective Date and Payment Date Answers   * Claim 1: Veterans Pension   + Effective date?   + Payment date? * Claim 2: Survivors Pension   + Effective date?   + Payment date? |  |
| Initial Year Examples   * Live (Veterans) Pension: If the claim is received on April 19, 2021, then the initial period is April 19, 2021, through April 30, 2022 * Survivors Pension: If the Veteran died on February 2, 2020, and the claim is received on:   + May 5, 2020 (within one year after the date of death), then the initial period is February 2, 2020, through February 29, 2021   + May 5, 2021 (more than one year after the date of death), then the initial period is May 5, 2021, through May 31, 2022 |  |
| Exercise: Dates of Initial Year   * **Instructions**:   + Work with a partner.   + Complete Part B of the Establishing Dates for Calculating Income worksheet.   + Be prepared to share your answers with the class. * **Time allowed: 10 minutes** |  |
| Exercise: Dates of Initial Year Answers (1 of 2)   * Claim 1: Veterans Pension   + What is the beginning date of the initial year?   + What is the ending date of the initial year? |  |
| Exercise: Dates of Initial Year Answers (2 of 2)   * Claim 2: Survivors Pension   + What is the beginning date of the initial year?   + What is the ending date of the initial year? |  |
| Calendar Year and Overlap of Initial Year  Example of initial year, calendar year and overlap period with the following dates: 5/13/2016 Entitlement date/effective date; beginning of initial year 6/1/2016 Date of payment  5/13/2016 to 12/31/2016  A period 12/31/2016 End of A period 1/1/2017 beginning of first full calendar year 1/1/2017 to 5/31/2017 Overlap period or B period 5/31/2017 End of initial year 6/1/2017 to 12/31/2017 C period 12/31/2017 End of first full calendar year |  |
| Calendar Year and Overlap of Initial Year Answers   * **What are the dates of the initial year?** * **What are the dates of the first calendar year?** * **What are the dates of the overlap period?** * What are the dates of the “A” period? * What are the dates of the “B” period”? |  |
| Exercise: Dates of Overlap   * Instructions:   + Work with a partner.   + Complete Part C of the Establishing Dates for Calculating Income worksheet.   + Be prepared to share your answers with the class. * Time allowed: 10 minutes |  |
| Exercise: Dates of Overlap Answers (1 of 2)   * Claim 1: Veterans Pension   + **What are the dates of the initial year?**   + **What are the dates of the first calendar year?**   + **What are the dates of the overlap period?**   + What are the dates of the “A” period?   + What are the dates of the “B” period”? |  |
| Exercise: Dates of Overlap Answers (2 of 2)   * Claim 2: Survivors Pension   + **What are the dates of the initial year?**   + **What are the dates of the first calendar year?**   + **What are the dates of the overlap period?**   + What are the dates of the “A” period?   + What are the dates of the “B” period”? |  |
| Counting the Initial 12 Months of Income for Disallowed Claims   * Income that bars payment of Pension must be considered for 12 months from the first day of the month after the effective date * Example:   + **June 10, 2020, surviving spouse files for pension and is denied because of monthly wages of $1,400.**   + **May 1, 2021, spouse re-applies and states she lost her job and made $9,800 between June 10, 2020 and November 2020.**   + **$9,800 is counted for a full 12 months from July 1, 2020 to June 30, 2021 before it is removed** |  |
| Counting the Second 12 Months of Income for Disallowed Claims (1 of 2)   * A claimant has two 12-month periods to submit evidence establishing entitlement to benefits for the second 12-month period after denial of a claim because income exceeds the limit during the first 12-month period * If a claim has been denied because income for the first 12-month period exceeded the MAPR, evaluate income for the second 12-month period to determine if entitlement exists |  |

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| Counting the Second 12 Months of Income for Disallowed Claims (2 of 2)   * Example: A Veteran files an original claim on March 14, 2019 and is denied because of wages of $2,000 per month.   + **On September 29, 2020, the Veteran reports the last paycheck was received on September 3, 2020 and received a one-time payment of $500 on June 16, 2020.**   + **The Veteran’s entitlement for the second 12-month period must be based on income received April 1, 2020 thought March 31, 2021**   + **Wages of $12,000 and $500 one-time payment** |  |
| Exercise: Dates of Second 12-Month Period   * Instructions:   + Work with a partner.   + Complete Part D of the Establishing Dates for Calculating Income worksheet.   + Be prepared to share your answers with the class. * Time allowed: 10 minutes |  |
| Exercise: Dates of Second 12-Month Period Answers (1 of 2)   * Claim 1: Veterans Pension   + What is the beginning date of the second 12-month period?   + What is the ending date of the second 12-month period? |  |
| Exercise: Dates of Second 12-Month Period Answers (2 of 2)   * Claim 2: Survivors Pension   + What is the beginning date of the second 12-month period?   + What is the ending date of the second 12-month period? |  |
| ****KC - Lesson Summary Review Questions****    Time Allowed: 15 minutes |  |

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| ****What’s Next?****  Complete Establishing Periods for Calculating Income course evaluation: TMS ID # 4408425 |  |

Appendix

Overview of Dates and Periods When Calculating Income

Example of initial year, calendar year and overlap period with the following dates:
5/13/2016 Entitlement date/effective date; beginning of initial year
6/1/2016 Date of payment 
5/13/2016 to 12/31/2016  A period
12/31/2016 End of A period
1/1/2017 beginning of first full calendar year
1/1/2017 to 5/31/2017 Overlap period or B period
5/31/2017 End of initial year
6/1/2017 to 12/31/2017 C period
12/31/2017 End of first full calendar year

**Calendar Year and Overlap of Initial Year**

Example of initial year, calendar year and overlap period with the following dates:
5/13/2016 Entitlement date/effective date; beginning of initial year
6/1/2016 Date of payment 
5/13/2016 to 12/31/2016  A period
12/31/2016 End of A period
1/1/2017 beginning of first full calendar year
1/1/2017 to 5/31/2017 Overlap period or B period
5/31/2017 End of initial year
6/1/2017 to 12/31/2017 C period
12/31/2017 End of first full calendar year
