Pension and fiduciary service

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

Determine Income Status

Trainee Guide

July 2024

Determine Income Status

Lesson Overview

| Topic | Description |
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| Time Estimate: | 3.5 hours |
| Purpose of the Lesson: | This lesson is part of the entry-level curriculum, Core Course for PMC VSRs. The purpose of this lesson is to prepare PMC VSRs to calculate a claimant’s Income for VA Purposes (IVAP) and determine income status. |
| Prerequisite Training Requirements: | Prior to taking the Determine Income Status lesson, trainees must complete PMC VSR Core Course Phases 1–4, and Phases 5.1.a-b. |
| Target Audience: | This lesson is for entry-level PMC VSRs. |
| Lesson References: | * Compensation and Pension Knowledge Management (CPKM) * 38 CFR 3.271 (Computation of income) * M21-1 IX.i.3.A (General Information on Pension Income and Net Worth Development) * M21-1 IX.iii.1.A.2.f (Action to Take When Income Reported on the Application Is Different Than FTI Found in Share) * M21-1 IX.iii.1.A.3 (Denying a Claim When IVAP Is Excessive; Considering Amended Income Information) * M21-1 IX.iii.1.B (Social Security Administration (SSA) Benefits Program) * M21-1 IX.iii.1.E.2.a (General Information on MAPR) * **M21-1 IX.iii.1.E.7 (Counting Income During the Initial Year).** * M21-1 IX.iii.1.G (Pension Deductible Medical Expenses) * M21-1 IX.iii.1.I (Improved Pension—Counting Specific Types of Income) * M21-1 XIV.4.A (Federal Tax Information (FTI) Match: General Information) * **Claim Types** job aid * **Income and Net Worth Status** job aid * **Initial Year** job aid * **Upfront Verification** job aid |
| Technical Competencies: | * Program Benefits and Eligibility (PMC VSR) * Income Counting and Net Worth * VBA Applications (PMC VSR) |
| Knowledge Check | Phase 5.1.d. Determine Income Status Knowledge Check |
| Lesson Objectives: | Determine income status.   * Calculate IVAP from application. * Perform upfront verification. * Determine if IVAP is within Maximum Annual Pension Rate (MAPR) limit. |
| What You Need: | * Trainee Guide * Appendix A: Determine Income Status Worksheet * Access to VBMS-A User Guide * Access to the following job aids from VSR Assistant:   + **Claim Types job aid**   + **Income and Net Worth Status job aid**   + **Initial Year job aid**   + **Upfront Verification job aid** |

| PowerPoint Slides | Notes |
| --- | --- |
| Determine Income Status |  |
| Lesson Objectives   * Determine income status. * Calculate IVAP from application. * Perform upfront verification. * Determine if IVAP is within MAPR limit. |  |
| Why This Matters!   * The **Determining Income Status** coursematters it focuses on income and expenses used to determine claims for pension benefits. |  |
| Definitions: Establish Periods for Calculating Income Review  Define the following terms:   * Effective date * Payment date * Initial year * Calendar year |  |
| Determine Types of Income Review   * **What are some examples of countable income?** * **What are the four income classifications?** |  |
| Establish Periods for Calculating Income Review  Define the following terms:   * Effective date * Payment date * Initial year * Calendar year |  |
| Determine Types of Income Review   * **What are some examples of countable income?** * **What are the four income classifications?** |  |
| Select Qualifying Expenses  Three types of expenses that can be deducted from countable income for pension claims:   * **Final expenses** * Educational expenses * **Medical expenses** |  |
| Determine Income Status  **Determining income status consists of the following:**   * Calculate IVAP from application. * Perform upfront verification. * Compare IVAP with upfront verification IVAP. * Determine if IVAP is within MAPR limit. |  |
| **Calculating IVAP Overview**  Calculating IVAP consists of the following steps:   1. Enter countable income into VBMS-A. 2. Enter final and educational expenses into VBMS-A. 3. Decide if medical expenses are in initial year. 4. Enter medical expenses into VBMS-A medical expense sub-page. 5. Enter total medical expense amount for the reporting periods into VBMS-A Financial Decisions Detail sub-page. 6. Review all income and expense information in VBMS-A. |  |
| Decide If Medical Expenses Are in Initial Year   * Medical expenses that are before the effective date do **not** qualify and will **not** be considered when calculating IVAP. * However, if a medical expense is a CME, then it would be considered when calculating IVAP. |  |
| Enter Medical Expense into VBMS-A   * Medical expenses are first calculated using the Medical Expenses Detail sub-page. * After the medical expenses are calculated, the calculated amount is entered on the Financial Decision Detail sub-page. |  |
| What Is Federal Tax Information (FTI)?  FTI is any return or return information received from the IRS or secondary source, such as SSA |  |
| What Is Upfront Verification?Balance scale with Earned and Unearned Income compared to income from application. |  |
| Compare IVAP with IVAP Upfront Verification  When evaluating countable income, use the higher countable income based on:   * Application * Information provided by FTI |  |
| Determine If IVAP Is within MAPR Limit   * **Once the IVAP is entered into the VBMS-A, the system automatically determines if the IVAP is within MAPR limits.** * **If IVAP exceeds MAPR, determine if claimant may qualify in second 12-month period.** |  |
| Additional Considerations for Determining Income Status  Consider the following when determining income status for an original claim:   * Supplemental information * Second 12-month period |  |
| Supplemental Information  **Consider the following forms when processing a claim:**   * **Original application form** * **Any supplemental information such as:**   + **VA Form 21P-8416 (Medical Expenses Report)**   + **VA Form 21P-0960 (Income and Asset Statement in Support of Claim for Pension or Parent’s Dependency and Indemnity Compensation (DIC))**   + VA Form 21-4138 (Statement in Support of Claim)   + Income increase/decrease documentation   + Other expense information |  |
| Knowledge Check - Test    Time Allowed: 10 minutes |  |
| **What’s Next?**  Complete the Determine Income Status course evaluation: **TMS ID # 4408434** |  |

Appendix

