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
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| Technical Competencies: | * Program Benefits and Eligibility (PMC VSR)
* Income Counting and Net Worth
* VBA Applications (PMC VSR)
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| 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.
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| 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**
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| 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 VerificationWhen 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 StatusConsider 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 - TestTime Allowed: 10 minutes  |  |
| **What’s Next?**Complete the Determine Income Status course evaluation: **TMS ID # 4408434** |  |

Appendix

