Pension and fiduciary service

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

Phase 5, Part 1(c) Knowledge Check Preparation

Trainee Guide

June 2024

Phase 5, Part 1(c) Knowledge Check Preparation

Lesson Overview

| Topic | Description |
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| Time Estimate: | 3 hours |
| Purpose of the Knowledge Check Preparation: | This knowledge check preparation is part of the entry-level curriculum, Core Pension Training for PMC VSRs. The purpose of this knowledge check preparation is to get PMC VSRs ready to take the Phase 5, Part 1(c) Knowledge Check. |
| Prerequisite Training Requirements: | Prior to taking Phase 5, Part 1(c) Knowledge Check Preparation, trainees must complete PMC VSR Core Pension Training Course Phases 1–5.1(c). |
| Target Audience: | This knowledge check preparation is for entry-level PMC VSRs. |
| References (1 of 2) | * 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.B. (Social Security Administration (SSA) Benefits Program) * M21-1 IX.iii.1.E (Pension- Basic Rate Determinations) |
| References (2 of 2) | * M21-1 IX.iii.1.F. (Dependents for Current-Law Pension Purposes) * M21-1 IX.iii.1.G (Pension- Deductible Medical Expenses) * M21-1 IX.iii.1.H (Improved Pension- Adjustments Based on Changes in Status) * M21-1 IX.iii.1.I (Improved Pension- Counting Specific Types of Income) * M21-1 IX.iii.1.J Net Worth, Asset Transfers, and Penalty Periods) * M21-1 IX.iii.1.K (Pension- Other Deductible Expenses) * **Care Expense Guide** job aid * **Income and Net Worth Status** job aid * **Initial Year** job aid * **SSA Inquiry** * **Upfront Verification** |
| Technical Competencies: | * Income Counting and Net Worth * Program Benefits and Eligibility (PMC VSR) * VBA Applications (PMC VSR) |
| Objectives: | By the end of this lesson, you should be able to  Selecting the correct effective dates  Determine the initial year period  Determining if the income is countable  Select qualifying expenses  Calculating Income for VA Purposes (IVAP)  Determine if IVAP is within the Maximum Annual Pension Rate (MAPR) limit |
| What You Need: | * Trainee Guide * Appendix A Worksheet * Pencil/Pen and Paper * Access to CPKM * Access to VSR Assistant * Access to the following job aids from VSR Assistant:   + **Care Expense Guide** job aid   + **Income and Net Worth Status** job aid   + **Initial Year** job aid   + **SSA Inquiry**   + **Upfront Verification** |

| PowerPoint Slides | Notes |
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| Phase 5, Part 1(c): Knowledge Check Preparation |  |
| Objectives  By the end of this lesson, you should be able to   * Selecting the correct effective dates * Determine the initial year period * Determining if the income is countable * Select qualifying expenses * Calculating Income for VA Purposes (IVAP) * Determine if IVAP is within the Maximum Annual Pension Rate (MAPR) limit |  |
| Why It Matters!  PMC VSRs are responsible for determining the income and net worth status of a claim. This includes:   * Selecting the effective dates * Selecting initial year period * Determining if the income is countable * Selecting qualifying expenses * Calculating Income for VA Purposes (IVAP) * Performing upfront verification * Determining if IVAP is within Maximum Annual Pension Rate (MAPR) limit * Calculating net worth * Reviewing asset transfers * Calculating penalty periods |  |
| **Phase 5, Part 1(c) Lessons** |  |
| Establish Periods for Calculating Income 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. |  |
| Establish Periods for Calculating Income   * **Selecting the correct dates for establishing the time periods is used to:**    + **Calculate** Income for VA Purposes (**IVAP).**   + **Determine income status.** * **Using incorrect dates may result in errors in denying or awarding benefits** |  |
| Group Exercise: Periods of Calculating Income   * Instructions:   + Work in groups of four.   + Review the content in Part 1 of Appendix A: Phase 5.1.c Worksheet to provide a response.   + Complete Part 1 – Period for Calculating Income exercise   + Be prepared to share your responses and rationale with the class.   Time allowed: 20 minutes |  |
| Group Exercise: Periods of Calculating Income Q&A |  |
| Determine Types of Income Objectives   * Determine the types of income for pension purposes.   + Define income for VA purposes (IVAP).   + Determine income inclusions.   + Determine income exclusions.   + Enter countable income into VBMS-A. |  |
| Determine Types of Income   * The PMC VSR is responsible for reviewing the claim to determine if the income is countable or excluded * Income for all persons on an award is countable. * There are found income classifications   + Non-recurring   + Recurring   + Short-term recurring   + Irregular |  |
| Practice Exercise: Determine Types of Income   * Instructions:   + Work in groups of four.   + Review the content in Part 2 of Appendix A: Phase 5.1.c Worksheet to provide a response.   + Complete Part 1 – Types of Countable Income exercise   + Be prepared to share your responses and rationale with the class. * Time allowed: 15 minutes |  |
| Practice Exercise: Determine Types of Income Q&A |  |
| Select Qualifying Expenses Objectives   * Identify qualifying expenses for calculating income.   + Describe the rules for allowing medical expenses as a deduction when calculating income.   + Describe the rules for allowing final expenses as a deduction when calculating income.   + Describe the rules for allowing education expenses as a deduction when calculating income.   + Determine if claimed expenses are acceptable when calculating income.   + Determine whether to develop for claimed expenses when calculating income. |  |
| Select Qualifying Expenses   * Correct calculation of claimant income affects amount of benefit for claimant * Qualifying expenses reduce claimant income; therefore, qualifying expenses may result in an increase in benefits * The PMC VSR identifies expenses that qualify for deduction from income |  |
| Class Activity: Select Qualifying Expenses   1. Name the two types of deductible expense: 2. (True or False?). If the overpayment was previously repaid or recouped, deductible expenses can be used to issue a retroactive payment if the retroactive amount does not exceed the amount repaid or recouped. 3. Which medical expenses, paid by a claimant or by a claimant’s dependent(s) for VA purposes can be used to reduce the claimant's countable income? 4. (Fill in the Blank). The  unreimbursed expenses must exceed the \_\_\_\_\_\_\_\_\_\_\_\_ of the applicable \_\_\_\_\_\_\_ . |  |
| Practice Exercise: Calculations for Determining Deductible Medical Expenses   * Instructions:   + Work in groups of two.   + Review the content in Part 3 of Appendix A: Phase 5.1.c Worksheet to provide a response.   + Complete Part 3 – Calculations for Determining Deductible Medical Expenses exercise   + Be prepared to share your responses and rationale with the class. * Time allowed: 15 minutes |  |
| ****Practice Exercise: “Calculations for Determining Deductible Medical Expenses Q&A**** |  |
| ****Determine Income Status Objectives****   * Determine income status.   + Calculate IVAP from application.   + Perform upfront verification.   + Determine if IVAP is within MAPR limit. |  |

| PowerPoint Slides | Instructor Activities |
| --- | --- |
| Determine Income Status   * **Determining income status consists of the following:**   + Calculating IVAP from application   + Performing upfront verification   + Comparing IVAP with upfront verification IVAP   + Determining if IVAP is within MAPR limit |  |
| Exercise: Determine IVAP   * Instructions:   + Work in groups of two.   + Review the content in Part 4 of Appendix A: Phase 5.1.c Worksheet to provide a response.   + Complete Part 4 – Determine IVAP exercise   + Be prepared to share your responses and rationale with the class. * Time allowed: 15 minutes |  |
| Exercise: Determine IVAP Q&A |  |
| Net Worth, Asset Transfers, and Penalty Periods Objectives   * Comprehend net worth significance to Pension entitlement * Define key terms related to net worth * Understand how net worth affects Pension entitlement * Understand how to calculate net worth * Identify and evaluate asset transfers * Learn to accurately calculate penalty periods * Identify property eligible to be considered net worth * Associate the proper forms for net worth reporting |  |
| Net Worth, Asset Transfers, and Penalty Periods   * **Net worth for VA purposes includes the claimant’s assets plus their IVAP.** * If net worth is over the bright line limit, deny the claim * Claimants cannot transfer assets to gain entitlement to pension benefits * A penalty period may exist |  |
| **Net Worth, Asset Transfers and Penalty Periods**   * Effective October 18, 2018, VA changed the net worth criteria for pension claims. * Net Worth on or after October 18, 2018, is the sum of a claimant’s:   + assets, and   + income for IVAP, including the income of dependents * Assets do not include the value of   + a claimant’s primary residence, and   + personal effects suitable to and consistent with a reasonable mode of life, such as appliances and family transportation vehicles |  |
| **Practice Exercise: Understanding Net Worth**   * **Instructions:**    + Work in groups of four.   + Review the content in Part 5 of Appendix A: Phase 5.1.c Worksheet to provide a response.   + Complete Part 5 – Understanding Net Worth exercise   + Be prepared to share your responses and rationale with the class. * **Time allowed: 15 minutes** |  |
| **Practice Exercise: Understanding Net Worth Q&A** |  |
| Question and Answer Clarification  This icon prompts you to ask trainees a discussion question or to ask trainees if they have any questions before proceeding with instruction. |  |
| What’s Next   * Assigned Knowledge Check in the Assessment Portal as determined by the Training Manager (TM) and/or Instructor. * Complete the Phase 5.1(c) Knowledge Check Prep Survey |  |