



PENSION AND FIDUCIARY SERVICE

PMC VSR Advanced Core Course
Phase 5: Stages of a Claim
Part 1: Determine Eligibility

Lesson 17: Determine Types of Income

Lesson Plan

October 28, 2016

Version 1.0

Lesson 17: Determine Types of Income
Lesson Plan

Determine Types of Income

Lesson Overview

Topic	Description
Time Estimate:	2.5 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 determine sources of income for a pension claimant.
Prerequisite Training Requirements:	Prior to taking the Determine Types of Income lesson, trainees must complete PMC VSR Core Course Phases 1–4 and Phase 5, Part 1, lessons 1–16. (Refer to the Master Course Map learning aid for a list of lessons.)
Target Audience:	This lesson is for entry-level PMC VSRs.

Lesson 17: Determine Types of Income
Lesson Plan

Topic	Description
Lesson References:	<ul style="list-style-type: none"> • Master Course Map learning aid • Compensation and Pension Knowledge Management (CPKM) • VA Form 21-4138 (Statement in Support of Claim) • VA Form 21P-0571 (Application for Exclusion of Children's Income) • M21-1 V.i.3.C.3 (Developing for Child Hardship Exclusion) • M21-1 V.iii.1.I (Improved Pension—Counting Specific Types of Income) <ul style="list-style-type: none"> ○ M21-1 V.iii.1.I.1 (Income Inclusions) ○ M21-1 V.iii.1.I.2 (Income Inclusions from Government Programs) ○ M21-1 V.iii.1.I.3 (Income Exclusions) ○ M21-1 V.iii.1.I.4 (Living/Home Income Exclusions) ○ M21-1 V.iii.1.I.5 (Disaster Income Exclusions) ○ M21-1 V.iii.1.I.6 (Death and Disability Income Exclusions) • M21-1 V.iii.1.A.2.d (Action to Take When SS Rate Reported by the Beneficiary is Different Than SS Rate in Share) • M21-1 V.iii.1.B.1.b (SS Benefits) • M21-1 V.iii.1.B.3 (Computing Monthly SSA and Medicare Benefits) • M21-1 V.iii.1.E.5.b (Types of Income) • M21-1 V.iii.1.E.5.c (Definition: Non-recurring Income) • M21-1 V.iii.1.E.5.d (Definition: Recurring Income) • M21-1 V.iii.1.E.5.e (Definition: Short-term Recurring Income) • M21-1 V.iii.1.E.5.f (Definition: Irregular Income) • M21-1 V.iii.1.E.6 (Counting Income for Department of Veterans Affairs Purposes) • M21-1 V.iii.1.F.2 (Counting the Income of Dependents) <ul style="list-style-type: none"> ○ M21-1 V.iii.1.F.2.b (Counting the Income of a Spouse) ○ M21-1 V.iii.1.F.2.d (Counting the Income of a Dependent Child)

Lesson 17: Determine Types of Income
Lesson Plan

Topic	Description
Technical Competencies:	<ul style="list-style-type: none"> • Program Benefits and Eligibility (PMC VSR) • Income Counting and Net Worth • VBA Applications (PMC VSR)
Knowledge Check:	Phase 5: Stages of a Claim, Part 1(c): Income Eligibility Knowledge Check
Lesson Objectives:	<p>Determine the types of income for pension purposes.</p> <ul style="list-style-type: none"> • Define income for VA purposes. • Determine income inclusions. • Determine income exclusions. • Enter countable income into VBMS-A.
What You Need:	<ul style="list-style-type: none"> • Lesson Plan • Master Course Map learning aid • Slides • Projector • Whiteboard/flip chart with different colored markers • Access to VBA intranet • Access to VBMS-A User Guide • Access to CPKM • Access to VSR Assistant—Income / Net Worth Determination EPSS • Access to the following job aids from VSR Assistant: <ul style="list-style-type: none"> ○ Countable Income job aid ○ Income Classification and Counting Table job aid ○ Income and Net Worth Status job aid ○ Initial Year job aid ○ SSA Inquiry job aid • Claim 1 (pmc_vsr_case_1) example of a pension claim that illustrates the income information for all dependents on an application.

Lesson 17: Determine Types of Income
Lesson Plan


Topic	Description
	<ul style="list-style-type: none"> Claim 2 Example of SSA inquiry completed on VVA academy/training mode to use for demonstration. Claim 3 (pmc_vsr_case_2) example pension claim on academy/training mode.

Instructor Notes


This lesson provides trainees with the information and references to be able to determine the type of income for VA purposes using demonstrations, practice exercises, and job aids.

PowerPoint Slides	Instructor Activities
<p>Lesson 17: Determine Types of Income</p>	<p>DISPLAY slide</p> <p>1. "Lesson 17: Determine Types of Income"</p> <p>INTRODUCE yourself as the instructor.</p> <p>INTRODUCE the lesson.</p>
<p>You Are Here</p>	<p>DISPLAY slide</p> <p>2. "You Are Here"</p> <p>REFER to the Master Course Map learning aid in the Trainee Guide.</p> <p>INFORM trainees that Phase 5, Part 1: Determine Eligibility contains four subparts. Subpart 1(c) contains several lessons that focus on determining income eligibility.</p>


Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Why It Matters!</p> <ul style="list-style-type: none"> • Establish Periods for Calculating Income • Determine Types of Income • Select Qualifying Expenses • Determine Income Status • Determine Net Worth Status 	<p>DISPLAY slide 3. "Why It Matters!"</p> <p>EXPLAIN that VA calculates income and net worth to determine if claimant's income and net worth meet eligibility requirements for pension benefits. The PMC VSR is responsible for reviewing the claim to determine if the income is countable.</p> <p>NOTE: Determining income and net worth status is a large topic that spans several lessons. This lesson will focus on determining countable income that will be used for calculating Income for VA Purposes (IVAP) for pension claims. Determining IVAP for Parents DIC claims will be examined later in the course.</p> <div style="text-align: center;">  </div> <p>REFER to the Income and Net Worth Status job aid to show the process of determining if the claimant's income and net worth meet requirements.</p>
<p>Technical Competencies</p> <ul style="list-style-type: none"> • Program Benefits and Eligibility (PMC VSR) • Income Counting and Net Worth • VBA Applications (PMC VSR) 	<p>DISPLAY slide 4. "Technical Competencies"</p> <p>EXPLAIN that this lesson prepares them for the program benefits and eligibility and processing claims competencies.</p>



Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Lesson Objectives</p> <p>Determine the types of income for pension purposes.</p> <ul style="list-style-type: none"> Define Income for VA Purposes (IVAP). Determine income inclusions. Determine income exclusions. Enter countable income into VBMS-A. 	<p>DISPLAY slide</p> <p>5. "Lesson Objectives"</p> <p>PRESENT the objectives for the lesson.</p>
<p>Knowledge Check</p>	<p>DISPLAY slide</p> <p>6. "Knowledge Check"</p> <p>INFORM trainees that they will be assessed on this content in the Phase 5: Stages of a Claim, Part 1(c): Income Eligibility Knowledge Check. The Knowledge Check will be given after Phase 5, Part 1, Lesson 20.</p>  <p>REFER to the Master Course Map learning aid, <i>Lessons by Phase</i> section, to review the lessons included within the Knowledge Check.</p>



Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Income and Net Worth EPSS</p> <p>VSR Assistant Income / Net Worth Determination EPSS</p>	<p>DISPLAY slide</p> <p>7. "Income and Net Worth EPSS"</p>  <p>REFER to the VSR Assistant and have trainees locate the Income / Net Worth Determination EPSS from the menu.</p> <p>EXPLAIN that this EPSS is a great tool to use when they are processing a claim and need to review how to determine the income and net worth status.</p>
<p>Income Overview</p> <ul style="list-style-type: none"> • What is IVAP? • Whose income is counted for pension claims? • Where is the income information indicated on the application? • What sources of income are inclusions or exclusions? • Why is countable income categorized into classification? 	<p>DISPLAY slide</p> <p>8. "Income Overview"</p> <p>EXPLAIN that determining the types of income used for calculating IVAP involves answering the following questions:</p> <ul style="list-style-type: none"> • What is IVAP? • Whose income is counted for pension claims? • Where is the income information indicated on the application? • What sources of income are inclusions or exclusions? • Why is countable income categorized into classification?
<p>Income for VA Purposes</p> <p>What is IVAP?</p>	<p>DISPLAY slide</p> <p>9. "Income for VA Purposes"</p> <p>TRANSITION to the first question for determining the types of income: What is IVAP?</p> <p>SELECT one or more trainees to answer the question: What is IVAP?</p>




Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Income for VA Purposes Answer</p> <p>What is IVAP?</p> <ul style="list-style-type: none"> IVAP is all countable income combined with regard to deductible expenses 	<p>DISPLAY slide 10. "Income for VA Purposes Answer"</p> <p>PROVIDE the answer: <i>IVAP is all countable income combined with regard to deductible expenses</i></p>  <p>REFER trainees to 38 CFR 3.271.a (Computation of income—General). Have one of the trainees read the first sentence of the section aloud.</p> <p>REMIND trainees that pension is an income-based program.</p> <p>DISCUSS <i>briefly</i> with trainees how income information is used to determine if claimant meets eligibility requirements.</p> <p>NOTE: this discussion should be a brief introduction to income and should not last more than five minutes.</p>
<p>Income and Dependents</p> <p>Whose income is counted for pension claims?</p>	<p>DISPLAY slide 11. "Income and Dependents"</p> <p>TRANSITION to the second question for determining the types of income: Whose income is counted for pension claims?</p>  <p>REFER to 38 CFR 3.261 (Character of income; exclusions and estates). Have the trainees review the topics of the table that refer to dependent information.</p> <p>SELECT one or more trainees to answer the following question: Whose income is counted for pension claims?</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Income and Dependents Answer</p> <p>Whose income is counted for pension claims?</p> <ul style="list-style-type: none"> • Income for all persons on an award is countable: <ul style="list-style-type: none"> ○ Veteran ○ Spouse / surviving spouse ○ Child dependents 	<p>DISPLAY slide 12. "Income and Dependents Answer"</p> <p>PROVIDE the answer to the question.</p> <p>REMIND trainees that the existence of dependents and their income are factors in determining entitlement in Veterans' pension claims and survivors' pension claims.</p> <p style="text-align: center;"></p> <p>REFER trainees to M21-1 V.iii.1.F.2.b (Counting the Income of a Spouse). Have one of them read the references aloud.</p> <p style="text-align: center;"></p> <p>REFER trainees to M21-1 V.iii.1.F.2.d (Counting the Income of a Dependent Child). Have one of them read the first two sentences aloud.</p> <p>DISCUSS the table in M21-1 V.iii.1.F.2.d. Emphasize that this table is used to determine if the dependent child's income is countable or not countable for pension purposes.</p> <p>EXPLAIN that the exclusion of child income due to hardship will be discussed later in this lesson.</p>


Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p data-bbox="154 296 540 369">Income Information on Application</p> 	<p data-bbox="716 296 1317 369">DISPLAY slide 13. "Income Information on Application"</p> <p data-bbox="716 394 1435 506">TRANSITION to the third question for determining the types of income: Where is the income information indicated on the application?</p> <p data-bbox="716 531 1325 562">PRESENT Claim 1 in the academy mode.</p>  <p data-bbox="716 705 1451 779">DEMONSTRATE where the income information is indicated on the application.</p> <p data-bbox="716 804 1442 877">ALLOW 5 minutes to review the income sections of the application.</p> <p data-bbox="716 903 1430 1014">REMINDE trainees that the income information may be located in different sections on other VA forms.</p>  <p data-bbox="716 1157 1438 1304">EMPHASIZE that it is the PMC VSRs' duty to assist the claimant, so it is important to consider all income information before making a final determination.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Sources of Income Overview</p> <ul style="list-style-type: none">• All income is countable for pension purposes unless it is specifically excluded.• Various sources of income can be divided into two categories:<ol style="list-style-type: none">1. Income inclusions2. Income exclusions	<p>DISPLAY slide</p> <p>14. "Sources of Income Overview"</p> <p>TRANSITION to the fourth question for determining the types of income: What sources of income are inclusions or exclusions?</p> <p>EXPLAIN that the first part of determining whether the claimant's income meets requirements is to gather all the sources of income from the application and determine which income is countable for VA purposes.</p> <p>REMIND trainees that all income is countable for pension purposes unless specifically excluded.</p> <p>CLARIFY that the various sources of income can be divided into two categories:<ol style="list-style-type: none">1. Income inclusions2. Income exclusions</p>


Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Income Inclusions</p> <p>Use the following references for income inclusions:</p> <ul style="list-style-type: none"> • M21-1 V.iii.1.I.1 (Income Inclusions) • M21-1 V.iii.1.I.2 (Income Inclusions from Government Programs) • M21-1 V.iii.1.F.2.d (Counting the Income of Dependents) • 38 CFR 3.261 (Character of income; exclusions and estates) • Countable Income job aid 	<p>DISPLAY slide 15. "Income Inclusions"</p> <p>TRANSITION to the first source of income category: income inclusions.</p> <p>EXPLAIN to trainees that income inclusions are the income that is countable for VA purposes. So, income inclusions are also referred to as countable income.</p> <div style="text-align: center;">  </div> <p>REFER trainees to the following references for income inclusions:</p> <ul style="list-style-type: none"> • M21-1 V.iii.1.I.1 (Income Inclusions) • M21-1 V.iii.1.I.2 (Income Inclusions from Government Programs) • M21-1 V.iii.1.F.2.d (Counting the Income of Dependents) • 38 CFR 3.261 (Character of income; exclusions and estates) • Countable Income job aid <p>ALLOW 10 minutes to read all the references.</p>


Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Class Activity—Income Inclusions</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Use the following references: <ul style="list-style-type: none"> ▪ M21-1 V.iii.1.I.1 (Income Inclusions) ▪ M21-1 V.iii.1.I.2 (Income Inclusions from Government Programs) ▪ M21-1 V.iii.1.F.2.d (Counting the Income of a Dependent Child) ▪ 38 CFR 3.261 (Character of income; exclusions and estates) ▪ Countable Income job aid ○ Work as a class to provide examples of income inclusions. ○ Have a trainee record the answers on the whiteboard/flip chart. • Time allowed: 15–20 minutes 	<p>DISPLAY slide</p> <p>16. “Class Activity—Income Inclusions”</p> <p>REMIND trainees to the following references they reviewed in the previous slide:</p> <ul style="list-style-type: none"> • M21-1 V.iii.1.I.1 (Income Inclusions) • M21-1 V.iii.1.I.2 (Income Inclusions from Government Programs) • M21-1 V.iii.1.F.2.d (Counting the Income of a Dependent Child) • 38 CFR 3.261 (Character of income; exclusions and estates) • Countable Income job aid <p>SELECT one of the trainees to come up to the whiteboard/flip chart.</p> <p>DIRECT the class to provide examples of countable income types and have the trainee write the examples of countable income on the whiteboard/flip chart.</p> <p>ALLOW 15–20 minutes to complete this class activity.</p> <p>DEBRIEF the activity by reviewing the most common countable income types that were written by the trainees.</p>

Lesson 17: Determine Types of Income
Lesson Plan



PowerPoint Slides	Instructor Activities
<p>Social Security Income</p> <ul style="list-style-type: none"> • Social Security is the type of income most often received by beneficiaries of VA income-based benefit programs. • Use the Social Security Administration (SSA) Inquiry to verify the gross amount of SS income. 	<p>DISPLAY slide 17. "Social Security Income"</p> <p>EXPLAIN that SS is the type of income most often received by beneficiaries of VA income-based benefit programs.</p>  <p>REFER to M21-1 V.iii.1.B.1.b (SS Benefits). Ask one of the trainees to read the paragraph aloud.</p> <p>SELECT one of them to summarize the reference in their own words.</p> <p>EXPLAIN that SS benefits can be verified using Social Security Administration (SSA) tools. To verify the gross amount of SS income, the PMC VSR must perform an SSA inquiry.</p>
<p>SSA Income in VVA</p> 	<p>DISPLAY slide 18. "SSA Income in VVA"</p>  <p>DEMONSTRATE where SSA is in VVA and review how to perform an SSA inquiry (also referred to as a SHARE Print) using the example you created. Use the SSA Inquiry job aid to guide your demonstration.</p>  <p>EMPHASIZE that the appendix on the SSA Inquiry job aid provides what each field means on the two screens and what to do if they are populated.</p> <p>SHOW where the gross amount of SSA income is located on the basic information screen—monthly benefit credited fields.</p>

Lesson 17: Determine Types of Income
Lesson Plan


PowerPoint Slides	Instructor Activities
<p>Income Exclusions</p> <p>Some income types are not countable for pension purposes for the following reasons:</p> <ul style="list-style-type: none"> • Not considered to be income under 38 CFR 3.271 (Computation of income) • Deemed to fall under one of the specific exclusions in 38 CFR 3.272 (Exclusions from income) • Excluded by federal statute 	<p>DISPLAY slide 19. "Income Exclusions"</p> <p>TRANSITION to the second sources of income category: income exclusions.</p>  <p>REFER to trainees to the following references for examples of income exclusions:</p> <ul style="list-style-type: none"> • 38 CFR 3.272 (Exclusions from income) • M21-1 V.iii.1.I.3 (Income Exclusions) • M21-1 V.iii.1.I.4 (Living/Home Income Exclusions) • M21-1 V.iii.1.I.5 (Disaster Income Exclusions) • M21-1 V.iii.1.I.6 (Death and Disability Income Exclusions) <p>ALLOW 10 minutes to read the references.</p>

Lesson 17: Determine Types of Income



Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Class Activity—Income Exclusions</p> <ul style="list-style-type: none">• Instructions:<ul style="list-style-type: none">○ Use the following references:<ul style="list-style-type: none">▪ 38 CFR 3.272 (Exclusions from income)▪ M21-1 V.iii.1.I.3 (Income Exclusions)▪ M21-1 V.iii.1.I.4 (Living/Home Income Exclusions)▪ M21-1 V.iii.1.I.5 (Disaster Income Exclusions)▪ M21-1 V.iii.1.I.6 (Death and Disability Income Exclusions)○ Work as a class to provide examples of income exclusions.○ Have a trainee record the answers on the whiteboard/flip chart.• Time allowed: 15–20 minutes	<p>DISPLAY slide 20. “Class Activity—Income Exclusions”</p>  <p>REFER trainees to the income exclusions listed on:</p> <ul style="list-style-type: none">• 38 CFR 3.272 (Exclusions from income)• M21-1 V.iii.1.I.3 (Income Exclusions)• M21-1 V.iii.1.I.4 (Living/Home Income Exclusions)• M21-1 V.iii.1.I.5 (Disaster Income Exclusions)• M21-1 V.iii.1.I.6 (Death and Disability Income Exclusions) <p>SELECT one of the trainees to come up to the whiteboard/flip chart.</p> <p>DIRECT the class to provide different types of income exclusions. Have the trainee write the examples of income exclusions on the whiteboard/flip chart.</p>  <p>EMPHASIZE that even though expenses are included as exclusions from income, there are additional rules and considerations that apply for medical, educational, and final expenses. Trainees will learn more about medical, educational, and final expenses in the next lesson.</p> <p>ALLOW 15–20 minutes to complete this class activity.</p> <p>DEBRIEF the activity by reviewing the most common exclusions that were written by the trainees.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Hardship Exclusion of Child's Income</p> <p>SCENARIO: The dependent child of Veteran Erik Anderson was recently granted Social Security benefits. Upon receipt of the SSA award letter, the Veteran submits a claim to the VA including:</p> <ul style="list-style-type: none"> • VA Form 21P-0571 (Application for Exclusion of Children's Income) • VA Form 21-4138 (Statement in Support of Claim) • Copy of his child's SSA Award letter <p>The Veteran claims that counting his child's SSA income creates a financial hardship on him. The Veteran is requesting a hardship exclusion of this income.</p>	<p>DISPLAY slide 21. "Hardship Exclusion of Child's Income"</p>  <p>REFER to 38 CFR 3.272.m (Hardship exclusion of child's available income) and M21-1 V.i.3.C.3 (Developing for Child Hardship Exclusion).</p> <p>SELECT one of the trainees to summarize these references in his/her own words.</p> <p>EXPLAIN that there may be rare instances where there is an income hardship and the child's income is excluded as countable income.</p> <p>DIRECT the trainees to VA Form search and look up VA Form 21P-0571 (Application for Exclusion of Children's Income). Have them review the application.</p> <p>DISCUSS the application for exclusion of children's income and emphasize that this form must be included when filing an original claim in order to qualify for the hardship exclusion. Use the scenario to guide your discussion.</p> <p>SELECT one of the trainees to read the scenario aloud.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Practice Exercise—Countable Income</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Divide into groups of three. ○ Review the Claim 2. ○ Locate the effective date and payment date. ○ Complete the Countable Income Worksheet using the Countable Income job aid and Claim 2. ○ Be prepared to share your responses. • Time allowed: 20 minutes 	<p>DISPLAY slide 22. "Practice Exercise—Countable Income"</p> <p>TRANSITION to a practice exercise for countable income.</p> <p>DIRECT trainees to divide into groups of three.</p>  <p>REFER trainees to the Claim 2 created for this practice exercise.</p>  <p>REFER to the Practice Exercise—Countable Income Worksheet of the trainee guide.</p> <p>DIRECT the groups to:</p> <ol style="list-style-type: none"> 1. Review the Claim 2 2. Locate the effective date and payment date 3. Use the Countable Income job aid and Claim 2 to complete the worksheet <p>ALLOW 20 minutes to complete the practice exercise.</p>

Lesson 17: Determine Types of Income
Lesson Plan

Practice Exercise—Countable Income Worksheet



Effective Date:

Payment Date:

Countable Income	Recipient	Date	Amount




PowerPoint Slides	Instructor Activities
<p>Practice Exercise—Countable Income Answers</p> <p><i>Answers provided by instructor based on the example claim selected.</i></p>	<p>DISPLAY slide 23. "Practice Exercise—Countable Income Answers"</p> <p>DISCUSS responses as a group. Ensure that trainees provide an explanation for each answer.</p> <p><i>Answers provided by instructor based on the example claim selected.</i></p>

Lesson 17: Determine Types of Income
Lesson Plan


PowerPoint Slides	Instructor Activities
<p>Income Classifications</p> <ul style="list-style-type: none"> • All income must generally be counted for at least 12 months. • The classifications explain <i>how to count</i> the income based on frequency. • There are four income classifications: <ol style="list-style-type: none"> 1. Non-recurring 2. Recurring 3. Short-term recurring 4. Irregular 	<p>DISPLAY slide 24. "Income Classifications"</p>  <p>REFER to the Income Classification and Counting Table job aid.</p>  <p>REFER them to M21-1 V.iii.1.E.5.b (Types of Income). Have one of them read the reference aloud.</p> <p>EXPLAIN that all income must generally be counted for at least 12 months, which is referred to as annualizing.</p> <p>It is useful to classify income before attempting to count it. The classifications depict <i>how to count</i> the income based on frequency. There are four income classifications:</p> <ol style="list-style-type: none"> 1. Non-recurring 2. Recurring 3. Short-term recurring 4. Irregular

Lesson 17: Determine Types of Income


Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Non-recurring Income</p> <ul style="list-style-type: none"> • Non-recurring income is usually a one-time receipt of income. • There may be more than one receipt, but each receipt is a different occurrence. 	<p>DISPLAY slide 25. "Non-recurring Income"</p> <p>TRANSITION to the first income classification: non-recurring income.</p>  <p>REFER to M21-1 V.iii.1.E.5.c (Definition: Non-recurring Income).</p> <p>PRESENT the example in the Income Classification and Counting Table job aid.</p>
<p>Recurring Income</p> <p>Recurring income is received on a regular basis in fixed amounts for 12 or more months.</p>	<p>DISPLAY slide 26. "Recurring Income"</p> <p>TRANSITION to the second income classification: recurring income.</p>  <p>REFER to M21-1 V.iii.1.E.5.d (Definition: Recurring Income)</p> <p>PRESENT the example in the Income Classification and Counting Table job aid.</p>
<p>Short-term Recurring Income</p> <p>Short-term recurring income is recurring income that has not been counted on the VA award for at least 12 months.</p>	<p>DISPLAY slide 27. "Short-term Recurring Income"</p> <p>TRANSITION to the third income classification: short-term recurring income.</p>  <p>REFER to M21-1 V.iii.1.E.5.e (Definition: Short-term Recurring Income)</p> <p>PRESENT the Income Classification and Counting Table job aid.</p>



Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Irregular Income</p> <ul style="list-style-type: none"> Irregular income is received several times during a reporting period, but it arrives at irregular intervals or in irregular amounts. Most common type of irregular income is annual interest income. 	<p>DISPLAY slide 28. “Irregular Income”</p> <p>TRANSITION to the fourth income classification: irregular income.</p>  <p>REFER to M21-1 V.iii.1.E.5.f (Definition: Irregular Income). Have one of the trainees read the definition.</p> <p>PRESENT examples of irregular income. Use the example in the Income Classification and Counting Table job aid to guide your discussion.</p> <p>EXPLAIN that the most common type of irregular income is annual interest income. Interest income is defined as a type of income in which the rate of return fluctuates, so we annualize the income over the applicable 12-month period—either initial year or calendar year.</p> <p>REMIND trainees that in the last lesson they learned that for the initial year, during the overlap or B period, some income and expenses can be used at the discretion of the PMC VSR to the greater benefit of the claimant. Irregular income is the only category of income for which the PMC VSR has this discretion.</p> <p>INFORM trainees that they will learn more about how to perform the calculations and make this determination in a later lesson.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Class Activity—Income Classifications</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Divide in four groups. ○ Use Income Classification and Counting Table job aid. ○ Each group will provide examples of their designated income classification. ○ Meet with your group to decide on examples. ○ Select a representative from each group to write the answers on the whiteboard/flip chart. • Time allowed: 25 minutes 	<p>DISPLAY slide 29. “Class Activity—Income Classifications”</p> <p>WRITE the four income classification as four separate columns on the whiteboard/flip chart.</p> <p>DIVIDE the class into the following four groups:</p> <ul style="list-style-type: none"> • Group A: Non-recurring income • Group B: Recurring income • Group C: Short-term recurring income • Group D: Irregular income  <p>REFER trainees to Income Classification and Counting Table job aid.</p> <p>DIRECT each group to provide examples of their designated income classification.</p> <p>GIVE trainees 5 minutes to meet with their group.</p> <p>DIRECT the trainees to select a representative from their group to come up to the whiteboard/flip chart to write the answers.</p> <p>GIVE <i>each</i> group a maximum of 5 minutes to provide the examples on the whiteboard/flip chart.</p> <p>ALLOW 25 minutes to complete this class activity.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Class Activity—Income Classifications Answers</p> <p><i>Feedback provided by instructor based on answers given by trainees.</i></p>	<p>DISPLAY slide 30. “Class Activity—Income Classifications Answers”</p> <p>DIRECT all the trainees to return to the seats.</p> <p>REVIEW the answers provided on the whiteboard/flip chart with the class.</p> <ul style="list-style-type: none"> • <i>Feedback provided by instructor based on answers given by trainees.</i>
<p>Pop Quiz—Income Classification</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Use the Income Classification and Counting Table job aid ○ Match the income type with the correct income classification on the Pop Quiz—Income Classification Worksheet in the trainee guide. ○ Be prepared to share your responses. • Time allowed: 10–15 minutes 	<p>DISPLAY slide 31. “Pop Quiz—Income Classification”</p> <p>INFORM trainees that they will complete this pop quiz on their own and then share their responses with the class.</p>  <p>REFER trainees to the Income Classification and Counting Table job aid.</p>  <p>REFER to the Pop Quiz—Income Classification Worksheet in the trainee guide.</p> <p>DIRECT trainees to match the income type with the correct income classification. They should provide the rationale for their decisions.</p> <p>ALLOW 10–15 minutes to complete the pop quiz.</p>

Pop Quiz—Income Classification Worksheet

Choose the income classification that best fits each income type.

1. Lottery Winnings

- a. Non-recurring income

Lesson 17: Determine Types of Income
Lesson Plan

- b. Recurring income
- c. Short-term income
- d. Irregular income

2. Social Security

- a. Non-recurring income
- b. Recurring income
- c. Short-term income
- d. Irregular income

3. Wages from odd jobs

- a. Non-recurring income
- b. Recurring income
- c. Short-term income
- d. Irregular income

4. Interest at variable rates (\$75 for 2015; \$60 for 2016)

- a. Non-recurring income
- b. Recurring income
- c. Short-term income
- d. Irregular income

5. Wages from seasonal work (6 months)

- a. Non-recurring income
- b. Recurring income
- c. Short-term income
- d. Irregular income

6. Wages from regular employment

- a. Non-recurring income
- b. Recurring income
- c. Short-term income
- d. Irregular income

7. Retirement benefits

- a. Non-recurring income

Lesson 17: Determine Types of Income
Lesson Plan

- b. Recurring income
- c. Short-term income
- d. Irregular income

8. Life insurance for a Veteran's spouse


- a. Non-recurring income
- b. Recurring income
- c. Short-term income
- d. Irregular income

PowerPoint Slides	Instructor Activities
<p>Pop Quiz—Income Classification Answers (1 of 2)</p> <ul style="list-style-type: none"> 1. Lottery Winnings <ul style="list-style-type: none"> <i>a. Non-recurring income</i> 2. Social Security <ul style="list-style-type: none"> <i>b. Recurring income</i> 3. Wages from odd jobs <ul style="list-style-type: none"> <i>d. Irregular income</i> 4. Interest at variable rates (\$75 for 2015; \$60 for 2016) <ul style="list-style-type: none"> <i>d. Irregular income</i> 	<p>DISPLAY slide</p> <p>32. "Pop Quiz—Income Classification Answers (1 of 2)"</p> <p>PROVIDE answers to the pop quiz.</p> <p>DISCUSS each answer with the trainees. Give feedback supported with examples and references.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Pop Quiz—Income Classification Answers (2 of 2)</p> <p>5. Wages from seasonal work (6 months) <i>c. Short-term income</i></p> <p>6. Wages from regular employment <i>b. Recurring income</i></p> <p>7. Retirement benefits <i>b. Recurring income</i></p> <p>8. Life insurance for a Veteran's spouse <i>a. Non-recurring income</i></p>	<p>DISPLAY slide</p> <p>33. "Pop Quiz—Income Classification Answers (2 of 2)"</p> <p>PROVIDE answers to the pop quiz.</p> <p>DISCUSS each answer with the trainees. Give feedback supported with examples and references.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Annualized or Monthly Income</p> <p>Scenario: Veteran reported receiving monthly Black Lung benefits of \$300. The PMC VSR mistakenly enters the annualized amount (\$300 x 12) in VBMS-A with an input of \$3,600. The VBMS-A system automatically annualizes this field (\$3,600 x 12), resulting in \$43,200 for the Black Lung benefits. As a result, the income appears to be excessive.</p>	<p>DISPLAY slide 34. "Annualized or Monthly Income"</p> <p>TRANSITION to how income types are annotated as annualized or monthly.</p> <p></p> <p>EMPHASIZE the importance of confirming the income type has been annotated as annualized or monthly.</p> <p>EXPLAIN that the VBMS-A automatically annualizes the monthly income. That means that the amount enter into the VBMS-A should be the monthly amount.</p> <p>DISCUSS the reporting of annualized and monthly income. Use the following example to guide your discussion.</p> <p>Scenario: Veteran reported receiving monthly Black Lung benefits of \$300. The PMC VSR mistakenly enters the annualized amount in VBMS-A with an input of \$3,600. The VBMS-A system automatically annualizes this field (\$3,600 x 12), resulting in \$43,200 for the Black Lung benefits. As a result, the income appears to be excessive.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
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Enter Countable Income into VBMS-A

Access the VBMS-A User Guide section 7.11.1.9.2 (Adding Financial Decisions Detail for an Effective Date Set) to view the process for entering income into the VBMS-A.



DISPLAY slide

35. "Enter Countable Income into VBMS-A"

TRANSITION to the final topic: enter countable income into the VBMS-A.



REFER to VBMS-A User Guide and have the trainees access section 7.11.1.9.2 (Adding Financial Decisions Detail for an Effective Date Set) to view the process for entering income into the VBMS-A.

ALLOW 5 minutes to read the process in the user guide.



DEMONSTRATE the Financial Decisions Detail sub-page in the academy mode of VBMS-A using the Claim 3.

REMIND the trainees that have already added the financial decision effective date and entitlement date to the VBMS-A.

CHOOSE one of the income types from the Claim 3 and show how to:

- Select the financial decision effective date for the Claim 3
- Select the income type from the drop-down menu
- Input the income amount





EMPHASIZE that income exclusions as seen in the M21-1 and 38 CFR references are **not** entered in VBMS-A.

The Exclusion Type and Amount fields are accessible only for the following income types:

- Business
- Disability/Death Claim Award

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Practice Exercise—Enter Countable Income into VBMS-A</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Work with a partner. ○ Use the VBMS-A User Guide section 7.11.1.9.2 (Adding Financial Decisions Detail for an Effective Date Set) ○ Enter the remaining income types into the Financial Decisions Detail sub-page for the Claim 3 in academy mode of VBMS-A. ○ Be prepared to share your finished exercise with other trainees. • Time allowed: 20 minutes 	<p>DISPLAY slide 36. “Practice Exercise—Enter Countable Income into VBMS-A”</p> <p>DIRECT trainees to:</p> <ol style="list-style-type: none"> 9. Divide into groups of two <ul style="list-style-type: none"> • Use the VBMS-A User Guide section 7.11.1.9.2 (Adding Financial Decisions Detail for an Effective Date Set) <ol style="list-style-type: none"> 10. Enter the remaining income types from Claim 3 into VBMS-A <p>ALLOW 20 minutes to complete this exercise.</p> <p>DEBRIEF the exercise by having the trainees check each other’s work.</p> <p><i>Answers provided by instructor based on the example claim selected.</i></p>
<p>Questions?</p> 	<p>DISPLAY slide 37. “Questions”</p>  <p>ASK trainees if they have any questions or concerns about determining the types of income. Use this time to clear up any confusion or misconceptions about the information presented.</p>

Lesson 17: Determine Types of Income
Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Lesson Summary</p> <ul style="list-style-type: none"> • What is IVAP? • Whose income is counted for pension claims? • What income is countable? • What income is excluded? • Why is income categorized into classifications? 	<p>DISPLAY slide 38. "Lesson Summary"</p> <p>REVIEW the key points of the lesson with a guided discussion using the following questions:</p> <ul style="list-style-type: none"> • What is IVAP? • Whose income is counted for pension claims? • What income is countable? • What income is excluded? • Why is income categorized into classifications?
<p>What's Next</p> <p>Phase 5, Part 1, 18: Select Qualifying Expenses</p>	<p>DISPLAY slide 39. "What's Next"</p> <p>DISCUSS the upcoming lesson Phase 5, Part 1, Lesson 18: Select Qualifying Expenses.</p>