



PENSION AND FIDUCIARY SERVICE

PMC VSR Advanced Core Course
Phase 5: Stages of a Claim
Part 5: Award Adjustments

Lesson 3: Determine Net Worth Adjustments

Lesson Plan

May 12, 2017

Version 1.0

Lesson 3: Determine Net Worth Adjustments
Lesson Plan

Determine Net Worth Adjustments

Lesson Overview

Topic	Description
Time Estimate:	4 hours
Purpose of the Lesson:	This lesson is part of the entry-level course for PMC VSRs. The purpose of this lesson is to prepare PMC VSRs to recognize and accurately calculate net worth related adjustments.
Prerequisite Training Requirements:	Prior to taking the Determine Net Worth Adjustments lesson, trainees must complete the entry-level course Phases 1–4, Phase 5 Parts 1-4 and Phase 5, Part 5, Lesson 1 and 2 (Refer to the Master Course Map learning aid for a list of lessons.)
Target Audience:	This lesson is for entry-level PMC VSRs.

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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-8049 (Request for Details of Expenses) • M21-1 I.2.A.1.a. (Due Process and the U.S. Constitution) • M21-1 I.2.A.1.b. (Due Process and VA) • M21-1 I.2.A.2.a. (Types of Notification Concerning Change in Benefits) • M21-1 I.2.D.1.a (Definition: Contemporaneous Notice) • M21-1 I.2.D.1.b (Information a Beneficiary Must Provide to Justify Sending a Contemporaneous Notice) • M21-1 V.i.3.A.1. (The Effect of Income/Net Worth on Benefit Entitlement) • M21-1 V.i.3.A.2 (Development of Income and Net Worth-Dependent Cases) • M21-1 V.i.3.A.4 (Developing for Net Worth) • M21-1 V.iii.1.I.9.a. (Impact of the Sale of Property on Pension Benefits) • M21-1 V.iii.1.J.1.b (Net Worth Criteria) • M21-1 V.iii.1.J.2.a (Discontinuance for Excessive Net Worth) • M21-1 V.iii.1.J.2.e (Resumption of Benefits Based on the Reconsideration of Net Worth) • M21-1 V.iii.1.J.2.f (Examples of Adjusting Veterans Pension Awards Based on Changes in Net Worth) • M21-1 V.iii.1.J.4.b. (When a Formal Net Worth Administrative Decision Is Required) • M21-1 V.iii.1.J.4.c (Preparing Administrative Decisions) • M21-1 V.iii.1.J.4.e (Specific Exclusions From Net Worth) • M21-1 V.iii.1.J.4.f (Trusts) • M21-1 V.iii.1.J.5.c (Excluding the Value of a Single-Family Dwelling) • 38 CFR 3.263 (Corpus of estate; net worth)
May 12, 2017 Version 1.0	<ul style="list-style-type: none"> • 38 CFR 3.263(b) (Definition corpus of estate and net worth) • 38 CFR 3.274 (Relationship of net worth to pension entitlement)

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Topic	Description
Technical Competencies:	<ul style="list-style-type: none">• Processing Claims (PMC VSR)• Income Counting and Net Worth• VBA Applications (PMC VSR)• Program Benefits and Eligibility (PMC VSR)
Knowledge Check:	Phase 5: Stages of a Claim, Part 5a, Award Adjustments Knowledge Check
Lesson Objectives:	<ul style="list-style-type: none">• Determine award adjustment based on changes to net worth.<ul style="list-style-type: none">○ Determine whether amended net worth is an inclusion or an exclusion.○ Determine whether a net worth determination is required.○ Determine whether to develop for additional net worth information.○ Determine whether net worth is a bar to benefits.

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Topic	Description
What You Need:	<ul style="list-style-type: none">• Lesson Plan• Master Course Map learning aid• Slides• Projector• Whiteboard/Flipchart with a variety of colored markers• Calculator for each trainee• Access to CPKM• Access to VBMS-A academy mode• Access to the following job aids from VSR Assistant:<ul style="list-style-type: none">○ Income and Net Worth Status job aid○ Time Limits job aid• Claim 1 (pmc_vsr_case_30) net worth for an original claim• Claim 2 (pmc_vsr_case_30a) is amended net worth that is excessive so that development for VA Form 21P-8049 is needed• Claim 3 (pmc_vsr_case_30b) is the same claimant from Claim 1 and 2 with the amended net worth information added and the completed VA Form 21P-8049

Instructor Notes

This lesson provides trainees with the information, resources, and references to determine award adjustments for changes in net worth. The job aids in this lesson will provide additional guidance on award adjustments.


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PowerPoint Slides	Instructor Activities
<p>Lesson 3: Determine Net Worth Adjustments</p>	<p>DISPLAY slide</p> <p>1. "Lesson 3: Determine Net Worth Adjustments"</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 this lesson is a part of Phase 5, Part 5: Award Adjustments.</p>


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PowerPoint Slides	Instructor Activities
<p>Why It Matters!</p> <p>Scenario: Sue Lambert applies for Survivors Pension. She previously received pension, but her benefits were stopped due to winning \$85,000 in the lottery. More than one year has passed since she received the lump sum income. VA receives VA 21-534EZ, Application for DIC, Death Pension, and/or Accrued Benefits, from Ms. Lambert on February 18, 2017. She has Social Security income of \$327, monthly pension of \$145, and annual interest income of \$50. Her only medical expenses are Medicare Part B premiums for \$104. She lists her net worth as \$14,000 in an interest bearing bank account. She has not remarried.</p>	<p>DISPLAY slide</p> <p>3. "Why It Matters!"</p> <p>SELECT one of the trainees to read the scenario aloud.</p> <p></p> <p>ASK the trainees to consider the following question:</p> <ul style="list-style-type: none"> • What is Ms. Lambert's updated net worth information? <ul style="list-style-type: none"> ○ <i>Her benefits have stopped but she is reapplying because it is been a year since winning \$85,000 in the lottery. Her net worth is \$14,000.</i> • What is the amended net worth? <ul style="list-style-type: none"> ○ <i>\$14,000</i> <p>REMINDE trainees that they learned about determining net worth earlier in the course.</p>
<p>Technical Competencies</p> <ul style="list-style-type: none"> • Program Benefits and Eligibility (PMC VSR) • Processing Claims (PMC VSR) • Income Counting and Net Worth • VBA Applications (PMC VSR) 	<p>DISPLAY slide</p> <p>4. "Technical Competencies"</p> <p>EXPLAIN that this lesson prepares trainees for the program benefits and eligibility, processing claims, counting income and net worth, and using VBA applications competencies.</p>

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PowerPoint Slides	Instructor Activities
<p>Lesson Objectives</p> <p>Determine award adjustment based on changes to net worth.</p> <ul style="list-style-type: none"> • Determine whether amended net worth is an inclusion or an exclusion. • Determine whether a net worth determination is required. • Determine whether to develop for additional net worth information. • Determine whether net worth is a bar to benefits. 	<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>EXPLAIN to the trainees that they will be assessed on this content in the Phase 5, Part 5a Knowledge Check.</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>





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PowerPoint Slides	Instructor Activities
<p>Award Adjustments</p> <p>Award Adjustments:</p> <ul style="list-style-type: none">• Determine Qualifying Expense Adjustments• Determine Amended Income Adjustments• Determine Net Worth Adjustments	<p>DISPLAY slide 7. "Award Adjustments"</p> <p>REMINd trainees that pension entitlement is based on need. The PMC VSR is responsible for determining whether the claimant's financial resources are sufficient to meet his/her basic needs without assistance from VA. If a claimant's assets are large enough that the claimant could use these assets to pay living expenses, then net worth is considered a bar to pension benefits.</p> <p>INFORM trainees that if an amended income is adjusted and the IVAP exceeds the MAPR, then no net worth determination is required.</p> <p>EXPLAIN to trainees that this lesson will focus on whether a claimant's change in net worth bars him or her from receiving benefits.</p>




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PowerPoint Slides	Instructor Activities
<p data-bbox="155 296 456 327">Review Net Worth</p> 	<p data-bbox="703 296 927 327">DISPLAY slide</p> <p data-bbox="703 338 1036 369">8. "Review Net Worth"</p> <p data-bbox="703 394 1442 468">NOTE: Before discussing changes in net worth, review how to determine net worth with the class.</p> <p data-bbox="703 491 1385 564">REMIND trainees that they learned about net worth earlier in this course.</p>  <p data-bbox="703 709 1425 741">ASK trainees what is net worth for VA purposes?</p> <ul data-bbox="703 766 1455 919" style="list-style-type: none">• <i>Net worth for VA purposes includes all personal property owned by the claimant, except for personal effects suitable to the claimant's reasonable mode of life.</i>  <p data-bbox="703 1066 1430 1182">REFER trainees to M21-1 V.iii.1.J.1.b (Net Worth Criteria). Have one of the trainees read the first and second paragraphs aloud.</p>  <p data-bbox="703 1329 1430 1444">REFER trainees to 38 CFR 3.263 (Corpus of estate; net worth). Have one of the trainees read sections a and b.</p> <p data-bbox="703 1467 1398 1541">REMIND trainees that net worth applies to the Veteran and spouse.</p> <p data-bbox="703 1564 1414 1677">REMIND trainees that net worth is applicable in Veteran and survivors pension claims, but is not applicable for DIC claims.</p>


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PowerPoint Slides	Instructor Activities
<p data-bbox="154 296 571 327">Review Net Worth Status</p> 	<p data-bbox="701 296 927 327">DISPLAY slide</p> <p data-bbox="701 338 1138 369">9. "Review Net Worth Status"</p> <p data-bbox="701 390 1455 464">REMAND trainees of the following topics related to net worth:</p> <ul data-bbox="701 489 1377 579" style="list-style-type: none">• Determine net worth inclusions/exclusions• Calculate net worth <p data-bbox="701 600 1403 674">NOTE: Each of these topics will be discussed in detail in the next seven slides.</p>  <p data-bbox="701 821 1451 936">REFER trainees to Income and Net Worth Status job aid. Have the trainees navigate to Determine Net Worth Status section of the job aid.</p> <p data-bbox="701 957 1414 1031">GIVE trainees 5 minutes to review the steps for determining net worth status.</p>
<p data-bbox="154 1073 521 1146">Review Net Worth Inclusions/Exclusions</p> 	<p data-bbox="701 1073 927 1104">DISPLAY slide</p> <p data-bbox="701 1115 1377 1146">10. "Review Net Worth Inclusions/Exclusions"</p> <p data-bbox="701 1167 1438 1241">TRANSITION to the first topic related to net worth: determine net worth inclusions/exclusions.</p> <p data-bbox="701 1262 1446 1377">EXPLAIN that it is important to determine what property or assets are considered as net worth for VA purposes before calculating the net worth.</p> <p data-bbox="701 1398 1459 1514">SELECT three or four trainees to provide examples of net worth sources that are inclusions and exclusions.</p>

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PowerPoint Slides	Instructor Activities
<p>Review Net Worth Inclusions/Exclusions Answers</p> <ul style="list-style-type: none">• Inclusion examples:<ul style="list-style-type: none">○ <i>Real estate (not including primary residence)</i>○ <i>Retirement</i>○ <i>Stocks</i>○ <i>Bonds</i>○ <i>Bank deposits</i>○ <i>Fine Art</i>○ <i>Antique automobiles</i>○ <i>Coin collections</i>• Exclusion examples:<ul style="list-style-type: none">○ <i>The claimant's primary residence</i>○ <i>Normal household objects and possessions</i>○ <i>Motor vehicles used for family transportation</i>	<p>DISPLAY slide</p> <p>11. "Review Net Worth Inclusions/Exclusions Answers"</p> <p>REVIEW the answers with the trainees.</p>  <p>REFER trainees to the following references:</p> <ul style="list-style-type: none">• M21-1 V.iii.1.J.1.b (Net Worth Criteria), third paragraph• M21-1 V.iii.1.J.4.e (Specific Exclusions From Net Worth)• M21-1 V.iii.1.J.5.c (Excluding the Value of a Single-Family Dwelling) <p>SELECT a trainee to read each reference aloud.</p>

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PowerPoint Slides	Instructor Activities
<p>Net Worth Inclusions/Exclusions Example (1 of 2)</p> <p>Scenario: Melissa Stevens owns a duplex with a current market value of \$500,000 and occupies half of the duplex. Mrs. Stevens owes \$400,000 on the mortgage on the property. Mrs. Stevens owns the following:</p> <ul style="list-style-type: none">○ Clothing and personal articles worth about \$9,000○ Car (primary means of transportation) worth \$7,000○ Fine art painting worth \$15,000○ Furniture worth \$2,000	<p>DISPLAY slide</p> <p>12. "Net Worth Inclusions/Exclusions Example (1 of 2)"</p> <p>EXPLAIN that determining net worth involves comparing the claimant's net worth inclusions and exclusions.</p> <p>SELECT one of the trainees to read the net worth example aloud.</p> <p>DIRECT one trainee to go to the whiteboard to write down the inclusions for the example.</p> <p>DIRECT another trainee to go to the whiteboard and write the exclusion for the example.</p>


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PowerPoint Slides	Instructor Activities
<p>Net Worth Inclusions/Exclusions Example (1 of 2) Answers</p> <ul style="list-style-type: none"> • <i>Net Worth Inclusions</i> <ul style="list-style-type: none"> ○ <i>Fine Art painting worth \$15,000</i> ○ <i>Market value of half of duplex \$200,000</i> • <i>Net Worth Exclusions</i> <ul style="list-style-type: none"> ○ <i>Market value of half of the duplex (\$200,000 of the market value of the duplex—other half that Mrs. Steven’s uses as personal home)</i> ○ <i>Clothing and personal articles worth about \$9,000</i> ○ <i>Car (primary means of transportation) worth \$7,000</i> ○ <i>Furniture \$2,000</i> 	<p>DISPLAY slide 13. “Net Worth Inclusions/Exclusions Example (1 of 2) Answers”</p> <p>REVIEW the answers with the trainees.</p> <p>DIRECT two trainees to go back to the whiteboard and write the correct answers provide by the other trainees. Have them include the monetary value that will be used later for another example.</p> <p>REMIND trainees of the references that pertain to this example:</p> <ul style="list-style-type: none"> • 38 CFR 3.263 (Corpus of estate; net worth) • M21-1 V.iii.1.J.1.b (Net Worth Criteria), third paragraph • M21-1 V.iii.1.J.4.e (Specific Exclusions From Net Worth) • M21-1 V.iii.1.J.5.c (Excluding the Value of a Single-Family Dwelling)

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PowerPoint Slides	Instructor Activities
<p>Net Worth Inclusions/Exclusions Example (2 of 2)</p> <p>Scenario: Susan Blackman, surviving spouse of Richard Blackman, applies for Survivor's pension on June 15, 2017. Mrs. Blackman's VA Form 21-534EZ Application for DIC, Death Pension, and/or Accrued Benefits, indicates that she has \$22,000 in non-interest bearing bank accounts, \$4,000 in interest bearing bank accounts, and \$40,000 in an irrevocable living trust. On July 15, 2017, a MAP-D development letter was sent requesting documentation regarding Mrs. Blackman's irrevocable living trust. Mrs. Blackman's response on August 5, 2017 included the irrevocable living trust agreement. This agreement indicated that Mrs. Blackman's assets were transferred to an irrevocable living trust in February 2017. The agreement further explains that these assets may be distributed at times of special need or during a time of disability.</p>	<p>DISPLAY slide</p> <p>14. "Net Worth Inclusions/Exclusions Example (2 of 2)"</p> <p>SELECT one of the trainees to read the net worth example aloud.</p> <p>EXPLAIN to trainees that trusts are countable as net worth if they are available for use for the claimant's support.</p>  <p>REFER trainees to M21-1 V.iii.1.J.4.f (Trusts). Have one of the trainees read the reference aloud.</p> <p>DISCUSS the scenario with the class. Emphasize that a trust is countable to a claimant if:</p> <ul style="list-style-type: none">• Actually owned by the claimant• Claimant possesses such control over the property that the claimant may direct it to be used for the claimant's benefit• Funds have actually been allocated for the claimant's use

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PowerPoint Slides	Instructor Activities
<p>Review Calculate Net Worth</p> 	<p>DISPLAY slide 15. "Review Calculate Net Worth"</p> <p>TRANSITION to the second topic related to net worth: calculate net worth.</p> <p>EXPLAIN to trainees that once they have determined net worth for VA purposes, then calculate the net worth inclusions.</p> <p>REMAND trainees of the example used for net worth inclusions and exclusions.</p> <p>POINT to the answers written on the whiteboard.</p>
<p>Review Calculate Net Worth Example</p> <p>Mrs. Stevens's net worth:</p> <ul style="list-style-type: none"> • Fine Art painting: \$15,000 • Market value of half of duplex \$200,000 <p>Remember, Mrs. Stevens owes \$400,000 on the mortgage on the property.</p>	<p>DISPLAY slide 16. "Review Calculate Net Worth Example"</p> <p>SELECT one of the trainees to go the whiteboard.</p> <p>DIRECT one of the trainees to read the following net worth example aloud:</p> <p>Mrs. Stevens's net worth:</p> <ul style="list-style-type: none"> • Fine Art painting: \$15,000 • Market value of half of duplex \$200,000 <p>Remember, Mrs. Stevens owes \$400,000 on the mortgage for the property.</p>

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PowerPoint Slides	Instructor Activities
<p>Review Calculate Net Worth Example Answers</p> <p>Calculations:</p> <ul style="list-style-type: none"> • <i>The value of the property minus mortgage for the duplex equals the value of duplex.</i> $\\$500,000 - \\$400,000 = \\$100,000$ • <i>The value of the duplex minus half of the duplex for personal residence equals other half of the duplex as net worth.</i> $\\$100,000 - \\$50,000 = \\$50,000$ • <i>The half of duplex for net worth plus painting equals the total net worth amount.</i> $\\$50,000 + \\$15,000 = \\$65,000$ 	<p>DISPLAY slide</p> <p>17. "Review Calculate Net Worth Example Answers"</p> <p>DISCUSS as a class how to calculate the net worth. Focus on the fact that mortgage is excluded per 38 CFR 3.263(b) (Definition. Corpus of estate and net worth).</p> <p>DIRECT the trainee at the whiteboard to write out the calculation for net worth as the other trainees provide the answers.</p> <div style="text-align: right; margin-left: 100px;"> <p>Value of the property \$500,000</p> <p style="text-align: right;">-</p> <p>Mortgage for duplex: \$400,000</p> <p style="text-align: right;">\$100,000</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: right;">-</p> <p>Half of duplex (personal residence): \$50,000</p> <p style="text-align: right;">Half of duplex (net worth): \$50,000</p> <p style="text-align: right;">+</p> <p>Fine Art Painting: \$15,000</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: right;">Net Worth: \$65,000</p> </div>

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PowerPoint Slides	Instructor Activities
<p>Practice Exercise—Review Net Worth</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Divide into pairs. ○ Access Claim 1. ○ Use Appendix B: Part A—Review Net Worth worksheet to show your work. ○ Work as a group to calculate the net worth based on Claim 1. • Time allowed: 20 minutes 	<p>DISPLAY slide 18. “Practice Exercise—Review Net Worth”</p> <p>DIRECT trainees to divide into groups of two.</p> <p>EXPLAIN that this class activity will help refresh what was taught in the Determine Net Worth Status lesson.</p> <p>INFORM trainees that they will be working with their group to calculate the net worth based on Claim 1.</p> <p>DIRECT trainees to:</p> <ul style="list-style-type: none"> • Access Claim 1 • Use calculators to determine the net worth • Use Appendix B: Part A—Review Net Worth worksheet to show their work <p>ALLOW 20 minutes to complete the practice exercise.</p>

Determine Net Worth



Net Worth Source	Total Calculated
Cash, non-interest bearing bank accounts	
Interest bearing bank accounts, certificates of deposit (CDs)	
Retirement accounts (IRAs, Keogh Plans, etc.)	
Stocks, bonds, and mutual funds	
Value of business assets	
Real property	
Total Net Worth	

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<p>Practice Exercise—Review Net Worth Answers</p> <p><i>Answers provided by instructor based on example claim selected.</i></p>	<p>DISPLAY slide</p> <p>19. “Practice Exercise—Review Net Worth Answers”</p> <p>REVIEW answers to practice exercise.</p> <p><i>Answers provided by instructor based on example claim selected.</i></p>
<p>Questions?</p> 	<p>DISPLAY slide</p> <p>20. “Questions”</p>  <p>ASK trainees if they have any questions or concerns regarding calculating net worth. Use this time to clear up any confusion or misconceptions about the information presented.</p>
<p>Net Worth Award Adjustments</p> <ul style="list-style-type: none"> • Net worth adjustments are different than income and expense adjustments • Net Worth adjustments are not: <ul style="list-style-type: none"> ○ Compared to MAPR ○ Compared on a sliding scale—either net worth is acceptable or is a bar to benefits 	<p>DISPLAY slide</p> <p>21. “Net Worth Award Adjustments”</p> <p>EXPLAIN to trainees that net worth adjustments are different than income and expense adjustments. Net worth adjustments are made whenever claimants submit updates to their net worth.</p> <p>Net Worth adjustments are not:</p> <ul style="list-style-type: none"> • Compared to MAPR • Compared on a sliding scale—either net worth is acceptable or is a bar to benefits

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PowerPoint Slides	Instructor Activities
<p>Conversion of Assets</p> <p>A surviving spouse sold her family home for \$325,000. Before the sale, the value of her home was an exclusion from net worth. Now, the income from the sale converts to an inclusion for net worth.</p>	<p>DISPLAY slide</p> <p>22. "Conversion of Assets"</p> <p>INFORM trainees that net worth adjustments may include the conversion of assets.</p> <p></p> <p>ASK trainees:</p> <ul style="list-style-type: none">• What is conversion of assets?<ul style="list-style-type: none">◦ <i>Claimants may sell their personal property. The income from the sale is now converted to net worth.</i> <p>REFER trainees to M21-1 V.iii.1.l.9.a. (Impact of the Sale of Property on Pension Benefits). Have one of the trainees read the reference aloud.</p> <p></p> <p>EMPHASIZE the Note in M21-1 V.iii.1.l.9.a. (Impact of the Sale of Property on Pension Benefits) as it relates to determining net worth.</p> <p>EXPLAIN to trainees that if a claimant has personal property initially considered an exclusion of net worth and sells that property, then the income from that sale is converted to a net worth inclusion.</p> <p>For example, a surviving spouse sold her family home for \$325,000. Before the sale, the value of her home was an exclusion from net worth because it was considered to be her primary residence. Now, the income from the sale converts to an inclusion for net worth.</p>


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PowerPoint Slides	Instructor Activities
<p>Award Adjustments Based on Amended Net Worth</p> <p>Once the amended net worth has been calculated, the award adjustment for net worth may result in one of the following two outcomes:</p> <ul style="list-style-type: none">• Update the VBMS-A with amended net worth amount• A termination of benefits	<p>DISPLAY slide</p> <p>23. "Award Adjustments Based on Amended Net Worth"</p> <p>REMINDE trainees that they learned about net worth earlier in the course, but now they will learn how to adjust an award based on changes in net worth.</p> <p>EXPLAIN that once the amended net worth has been calculated, then the award adjustment for net worth may result in one of the following two outcomes:</p> <ul style="list-style-type: none">• Update the VBMS-A with amended net worth amount• A termination of benefits <p>EXPLAIN that if the amended net worth is received within a year of the decision to terminate, and you determined that net worth is no longer excessive, then resume the award that was discontinued because of excessive net worth from the date that net worth ceased to be excessive. However, if the amended net worth is received after the expiration of one year. It is considered a new claim. The award cannot be resumed earlier than the date of claim for the new claim.</p> <p>INFORM trainees that for more information on the resumption of benefits based on the reconsideration of net worth, refer to M21-1 V.iii.1.J.2.e (Resumption of Benefits Based on the Reconsideration of Net Worth).</p>


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PowerPoint Slides	Instructor Activities
<p>Update VBMS-A with Amended Net Worth Amount</p> <p>Process the award adjustment by updating the VBMS-A with the amended net worth amount.</p>	<p>DISPLAY slide 24. "Update VBMS-A with Amended Net Worth Amount"</p> <p>TRANSITION to the first possible outcome for amended net worth: update the VBMS-A with the amended net worth amount.</p> <p>EXPLAIN to trainees that if a claimant submits updated net worth information and you determine that the amended net worth falls within acceptable limits, then process the award adjustment by updating the VBMS-A with the amended net worth amount.</p> <p>This means that you still update the net worth amount in VBMS-A, but you send a no change letter to the claimant informing him/her that the amended net worth has been updated.</p> <p>NOTE: The next few slides will show examples of the updated net worth.</p>
<p>Update VBMS-A with Amended Net Worth Amount Example 1</p> <p>Scenario: On May 15, 2015 we received a VA Form 21-4138, Statement in Support of Claim, from Veteran Jesse Lacey. He reported that he sold his Daisy Lane home on January 21, 2015, and received a lump sum payment in the amount of \$25,000. We have previously been considering net worth of \$10,000.</p>	<p>DISPLAY slide 25. "Update VBMS-A with Amended Net Worth Amount Example 1"</p> <p>SELECT one of the trainees to read the scenario aloud.</p> <p style="text-align: center;"></p> <p>ASK trainee the following questions:</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. Lacey? • What is the calculated amended net worth?



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PowerPoint Slides	Instructor Activities
<p>Update VBMS-A with Amended Net Worth Amount Example 1 Answers</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. Lacey? <ul style="list-style-type: none"> ○ <i>Lump Sum payment of \$25,000</i> • What is the calculated amended net worth? <ul style="list-style-type: none"> ○ <i>Amended net worth: \$35,000</i> 	<p>DISPLAY slide 26. "Update VBMS-A with Amended Net Worth Amount Example 1 Answers"</p> <p>DISCUSS the answers to the questions with trainees. Focus on the fact that the amended net worth falls within the acceptable limit and does not require a net worth determination (administrative decision).</p> <p>EXPLAIN that they will change the net worth amount in the Financial Decisions tab in VBMS-A to \$35,000.</p> <p>They will send a no change letter to Mr. Lacey explaining that the provided update to net worth will not change his pension rate.</p>
<p>Update VBMS-A with Amended Net Worth Amount Example 2</p> <p>Scenario: VA receives a claim from Jacob Wright, a single Veteran, on April 15, 2016. Mr. Wright's VA Form 21P-527EZ, Application for Pension, indicates he has previously reported assets of \$10,500 in non-interest bearing bank accounts, \$1,000 in a CD, and his collectible 1954 Buick Skylark car worth \$6,500. He now reports his primary residence is worth \$190,000, based on his most recent assessment. Mr. Wright's only source of income is his monthly Social Security benefit of \$950 and has not reported any medical expenses.</p>	<p>DISPLAY slide 27. "Update VBMS-A with Amended Net Worth Amount Example 2"</p> <p>SELECT one of the trainees to read the scenario aloud.</p> <div style="text-align: center;">  </div> <p>ASK trainee the following questions:</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. Wright? • What is the amended net worth?


Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Update VBMS-A with Amended Net Worth Amount Example 2 Answers</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. Wright? <ul style="list-style-type: none"> ○ <i>Mr. Wright's net worth has not changed.</i> • What is the amended net worth? <ul style="list-style-type: none"> ○ <i>Mr. Wright's net worth remains \$18,000.</i> 	<p>DISPLAY slide 28. "Update VBMS-A with Amended Net Worth Amount Example 2 Answers"</p> <p>DISCUSS the answers to the questions with trainees. Focus on that fact that the amended net worth did not change because Mr. Wright's primary residence is not counted as net worth.</p> <p>EXPLAIN that they will not change the net worth amount in the Financial Decisions tab in VBMS-A. They will, however, send a no change letter to Mr. Wright explaining that the update to net worth will not change his pension rate.</p>
<p>No Change Letter Demo</p> 	<p>DISPLAY slide 29. "No Change Letter Demo"</p> <p>DIRECT trainees to access Appendix C.</p>  <p>DEMONSTRATE what a no change letter for the example (Veteran Jacob Wright) looks like. Focus on the information outlined in the paragraph titled What Did We Decide?</p>



Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Net Worth Determination is Required</p> <p>While no specific dollar amount can be designated as excessive net worth, if the claimant has a net worth of \$80,000 or more, then a formal administrative decision is required.</p>	<p>DISPLAY slide 30. "Net Worth Determination is Required"</p> <p>EXPLAIN to trainees that if a claimant submits updated net worth information and you determine that the amended net worth requires a net worth determination, then prepare an administrative decision to determine if net worth is a bar to benefits.</p> <p>REMIND trainees that while no specific dollar amount can be designated as excessive net worth, if the claimant has a net worth of \$80,000 or more, then a formal administrative decision is required.</p>  <p>REFER to M21-1 V.iii.1.J.4.b. (When a Formal Net Worth Administrative Decision Is Required). Have one of the trainee read the reference aloud.</p>


Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Preparing an Administrative Decision</p> <p>What forms are used when preparing an administrative decision for net worth determination?</p>	<p>DISPLAY slide 31. "Preparing an Administrative Decision"</p> <p></p> <p>ASK trainees what forms are used when preparing an administrative decision for net worth determination?</p> <ul style="list-style-type: none">• <i>VA Form 21P-8049, Request for Details of Expenses</i>• <i>VA Form 21-5427, Corpus of Estate Determination</i> <p></p> <p>REFER trainees to M21-1 V.iii.1.J.4.c (Preparing Administrative Decisions). Have one of the trainees read the reference aloud.</p> <p>DISCUSS with trainees the different forms that are used when preparing an administrative decision for net worth determination. Focus on the fact that VA Form 21P-8049 is provided by the claimant while the PMC VSR completes VA Form 21-5427 based on the information provided on VA Form 21P-8049.</p> <p>EXPLAIN to trainees that a claimant may also submit VA Form 21P-8416, Medical Expenses Report, if he/she has additional medical expenses.</p>



Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>To Develop or Not To Develop</p> <ul style="list-style-type: none">• If VA Form 21P-8049 is on file, then development is not needed. Instead, complete the corpus of estate determination and provide a contemporaneous notice to the claimant.• If VA Form 21P-8049 is not on file, then develop for the form. Inform the claimant of the proposed adverse action with the development letter.	<p>DISPLAY slide 32. "To Develop or Not To Develop"</p> <p>EXPLAIN to trainees that there are some instances when the PMC VSR does not have to develop for VA Form 21P-8049 in order to complete the corpus of estate determination.</p> <ul style="list-style-type: none">• If VA Form 21P-8049 is on file, then development is not needed. <i>Instead, complete the corpus of estate determination and provide a contemporaneous notice to the claimant.</i>• If VA Form 21P-8049 is not on file, then develop for the form. Inform the claimant of the proposed adverse action with the development letter. <p></p> <p>EMPHASIZE to trainees that they need to consider the date of the VA Form 21-8049. As a best practice, if a reasonable time period has elapsed, then develop for an updated VA Form 21-8049 to complete a corpus of estate determination.</p>


Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Contemporaneous Notice Versus Proposed Adverse Action</p> <p>What are the differences between a contemporaneous notice and a proposed adverse action?</p>	<p>DISPLAY slide 33. "Contemporaneous Notice Versus Proposed Adverse Action"</p> <p></p> <p>REFER trainees to M21-1 I.2.A.2.a. (Types of Notification Concerning Change in Benefits). Have one of the trainees read the reference aloud.</p> <p>DIRECT two trainees to go to the whiteboard. Have one of the trainees write contemporaneous notice on the board while the other trainee writes proposed adverse action.</p> <p>DISCUSS the differences between a contemporaneous notice and proposed adverse action.</p> <p></p> <p>ASK the trainees to provide the key facts for contemporaneous notice and proposed adverse action.</p> <p>While the trainees are providing the facts, the two trainees are writing the answers at the whiteboard.</p> <p>NOTE: trainees will learn more about due process later in this course.</p>


Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Contemporaneous Notice</p> <p>Contemporaneous notice is sent to the claimant if all of the following conditions are met:</p> <ul style="list-style-type: none">• The claimant submits updated net worth information and the amended net worth is excessive.• A termination of benefits is warranted for the excessive net worth.• VA Form 21-8049, Request for Details of Expenses, is on file and is current.	<p>DISPLAY slide</p> <p>34. "Contemporaneous Notice"</p>  <p>REFER trainees to the following references:</p> <ul style="list-style-type: none">• M21-1 I.2.D.1.a (Definition: Contemporaneous Notice)• M21-1 I.2.D.1.b (Information a Beneficiary Must Provide to Justify Sending a Contemporaneous Notice) <p>SELECT a trainee for each reference and have them read it aloud.</p> <p>EXPLAIN that a contemporaneous notice is sent to the claimant if all of the following conditions are met:</p> <ul style="list-style-type: none">• The claimant submits updated net worth information and the amended net worth is excessive.• A termination of benefits is warranted for the excessive net worth.• VA Form 21-8049, Request for Details of Expenses, is on file and is current.



Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Contemporaneous Notice Example</p> <p>Scenario: Veteran Donald Johnson has been receiving nonservice-connected pension since August 2010. On August 15, 2017 he submits a completed VA Form 21-0516, Improved Pension Eligibility Verification Report (Veteran with No Children), indicating that his net worth has increased based on an updated appraisal of his antique automobile. Mr. Johnson also submits a completed VA Form 21-8049, Request for Details of Expenses, documenting his monthly expenses. His original application included his antique automobile appraised at \$70,000. As of June 2017, the antique automobile is appraised at \$105,000. Mr. Johnson's total net worth is reported as \$115,000, including \$10,000 in a non-interest bearing bank account.</p>	<p>DISPLAY slide</p> <p>35. "Contemporaneous Notice Example"</p> <p>SELECT one of the trainees to read the scenario aloud.</p> <p></p> <p>ASK trainee the following questions:</p> <ul style="list-style-type: none">• What is the updated net worth information provided by Mr. Johnson?• What is the amended net worth?• Assuming you determine to terminate benefits, on what date will benefits be terminated?



Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Contemporaneous Notice Example Answers</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. Johnson? <ul style="list-style-type: none"> ○ <i>Appraisal for antique automobile increased to \$105,000</i> • What is the amended net worth? <ul style="list-style-type: none"> ○ <i>\$115,000</i> • Assuming you determine to terminate benefits, on what date will benefits be terminated? <ul style="list-style-type: none"> ○ <i>January 1, 2018</i> 	<p>DISPLAY slide 36. "Contemporaneous Notice Example Answers"</p> <p>DISCUSS the answers to the questions with trainees. Focus on the following facts:</p> <ul style="list-style-type: none"> • Veteran's appraisal for the antique automobile increased from \$70,000 to \$105,000 • Veteran had submitted VA Form 21-8049 • The award is terminated on January 1, 2018 based on the amended net worth of \$115,000 • An administrative decision (VA Form 21-5427 Corpus of Estate Determination) was prepared • A contemporaneous notice is sent to the claimant
<p>Contemporaneous Notice Demo</p> 	<p>DISPLAY slide 37. "Contemporaneous Notice Demo"</p> <p>DIRECT trainees to access Appendix D.</p>  <p>DEMONSTRATE what a contemporaneous notice for the example (Veteran Donald Johnson) looks like. Focus on the information outlined in the letter.</p> <p>POINT out the table under the section titled, Your Award Amount and Payment Change Date. Have one of the trainees read the contents of the table aloud.</p>



Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Development and Proposed Adverse Action</p> <p>A proposed adverse action provides the beneficiary with the opportunity to provide additional evidence to contest the action.</p>	<p>DISPLAY slide 38. "Development and Proposed Adverse Action"</p> <p>EXPLAIN to trainees that when they develop for VA Form 21P-8049, they also need to inform the claimant of the proposed adverse action that could terminate benefits due to net worth being a bar.</p>  <p>REFER trainees to M21-1 I.2.A.1.b. (Due Process and VA). Have one of the trainees read the reference aloud.</p> <p>INFORM trainees that the claimant will have 60 days to respond to development letter with the proposed adverse action.</p>
<p>Development and Proposed Adverse Action Example</p> <p>Scenario: David Smith is a World War II era Veteran with a running Veteran's pension award. His original application shows that he had no net worth to report. On May 18, 2016 he submits information explaining that he sold his primary residence on February 15, 2016 and received \$225,000. The Veteran also reports that he entered an assisted living facility on May 5, 2016 and submits a VA Form 21P-8416, Medical Expense Report, and a Care Expense Statement outlining his admission and the monthly rate he pays.</p>	<p>DISPLAY slide 39. "Development and Proposed Adverse Action Example"</p> <p>SELECT one of the trainees to read the scenario aloud.</p>  <p>ASK trainee the following questions:</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. Smith? • What is the amended net worth? • Is a net worth determination required for the amended net worth?



Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Development and Proposed Adverse Action Example Answers</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. Smith? <ul style="list-style-type: none"> ○ <i>Mr. Smith's primary residence was sold so this is considered a conversion of assets</i> • What is the amended net worth? <ul style="list-style-type: none"> ○ <i>\$225,000</i> • Is an administrative decision for a net worth determination required for the amended net worth? <ul style="list-style-type: none"> ○ <i>Yes, develop for VA 21P-8049 and include due process</i> 	<p>DISPLAY slide 40. "Development and Proposed Adverse Action Example Answers"</p> <p>DISCUSS the answers to the questions with trainees. Focus on the following facts:</p> <ul style="list-style-type: none"> • \$225,000 is considered net worth because the personal residence was sold • Veteran entered assisted living facility • VA Form 21P-8416 and Care Expense Statement was included but additional information from the VA Form 21P-8049 is still needed • A development letter with a proposed adverse action will be sent to the claimant <p>Note: The next slide will show the development letter with the proposed adverse action included.</p>
<p>Development and Proposed Adverse Action Example Demo</p> 	<p>DISPLAY slide 41. "Development and Proposed Adverse Action Example Demo"</p> <p>DIRECT trainees to Appendix E.</p>  <p>DEMONSTRATE what development with proposed adverse action for the example (Veteran David Smith) looks like. Focus on the proposed adverse action outlined in the letter.</p> <p>POINT out to trainees the paragraph under the section title, "When And Where Do You Send The Information Or Evidence?" Have one of the trainees read this paragraph aloud.</p>

Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Practice Exercise—Net Worth</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Divide into groups of three. ○ Access Claim 2. ○ Work as a group to: <ul style="list-style-type: none"> ▪ Calculate the amended net worth ▪ Answer the questions in Appendix B: Part B—Net Worth worksheet • Time allowed: 20 minutes 	<p>DISPLAY slide 42. "Practice Exercise—Net Worth"</p> <p>DIRECT trainees to divide into groups of three.</p> <p>INFORM trainees that they will be working with their group to determine if the Claim 2 requires net worth determination (administrative decision).</p> <p>DIRECT trainees to:</p> <ul style="list-style-type: none"> • Access Claim 2 • Use calculator to determine the net worth • Answer the questions in Appendix B: Part B—Net Worth worksheet <p>ALLOW 20 minutes to complete the practice exercise.</p>
<p>Practice Exercise—Develop Net Worth Answers</p> <p><i>Answers provided by instructor based on example claim selected.</i></p>	<p>DISPLAY slide 43. "Practice Exercise—Net Worth Answers"</p> <p>REVIEW answers to practice exercise.</p> <p><i>Answers provided by instructor based on example claim selected.</i></p>
<p>Questions?</p> 	<p>DISPLAY slide 44. "Questions"</p>  <p>ASK trainees if they have any questions or concerns regarding developing for net worth. Use this time to clear up any confusion or misconceptions about the information presented.</p>

Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides

Complete VA Form 21-5427

LINE NO.		TYPE OF PROPERTY	AMOUNT	LINE NO.	TYPE OF PROPERTY	AMOUNT
1	STOCK	\$	0.00	4	OTHER PERSONAL PROPERTY - TOTAL	\$ 0.00
2	BONDS	\$	0.00	5	REAL ESTATE (DO NOT include mortgage)	\$ 0.00
3	BANK DEPOSIT	\$	175,000.00	8	TOTAL AMOUNT OF ESTATE	\$ 175,000.00

LINE NO.		INCOME	AMOUNT	LINE NO.	INCOME	AMOUNT
1	SOCIAL SECURITY	\$	882.00	4	DIVIDENDS AND INTEREST	\$ 0.00
2	RAILROAD RETIREMENT	\$	0.00	5	EMPLOYMENT	\$ 0.00
3	OTHER RETIREMENT	\$	0.00	8	RENTS	\$ 0.00
				7	OTHER	\$ 0.00
				9	TOTAL INCOME	\$ 882.00

LINE NO.		EXPENSE	AMOUNT	LINE NO.	EXPENSE	AMOUNT
1	SHELTER	\$	400.00	5	MEDICAL EXPENSES	\$ 0.00
2	FOOD	\$	100.00	6	EDUCATION	\$ 0.00
3	TAXES AND INTEREST	\$	0.00	7	OTHER (Specify)	\$ 125.00
4	CLOTHING	\$	30.00	9	TOTAL EXPENSES	\$ 655.00

12. DISCUSSION
 The Veteran's monthly income exceeds his expenses by \$227.00 (\$2,724.00 annually). According to his application, he possesses substantial assets in his certificate of deposit to sustain himself indefinitely. At the present time the Veteran's assets are enough to sufficiently meet his needs without VA assistance. The Veteran may reapply when he significantly spends down his assets.

OTHER: Utilities

13. CONCLUSION
 NET WORTH IS A BAR DEPENDENCY ESTABLISHED/CONTINUED
 NET WORTH IS NOT A BAR DEPENDENCY DOES NOT EXIST

14A. SUBMITTED BY (Signature of Applicant) **14B. DATE** **15A. APPROVED BY (Signature of Auditor)** **15B. DATE**

VA FORM 21-5427 APR 2002
 STOCKS OF VA FORM 21-5427, APR 1993, WILL BE USED.

Instructor Activities

DISPLAY slide

45. "Complete VA Form 21-5427"

EXPLAIN to trainees that once VA Form 21-8049 is on file (either previously on file or from development) or when the suspense date on the proposed adverse action has expired, then the administrative decision can be completed.

REMINd trainees that they learned how to complete VA Form 21-5427, Corpus of Estate Determination.

NOTE: the scenario and example documents will provide a review for how to complete VA Form 21-5427.


Lesson 3: Determine Net Worth Adjustments Lesson Plan

Department of Veterans Affairs					
CORPUS OF ESTATE DETERMINATION					1. FILE NO. C/CSS- TRA-544452
2. NAME OF VETERAN WHITE, BRUCE				3. LOCATION OF OFFICE	
ISSUE: Entitlement to Pension 38 U.S.C. 1522 OR 1543, Parent Death Companions, or Dependency of Parents					
FACTS					
4. NAME OF CLAIMANT (If other than veteran)			5. AGE 70	6. CLAIMANT'S LIFE EXPECTANCY 13.2	
7. STATE OF HEALTH OF CLAIMANT AND HIS/HER DEPENDENTS No significant health issues					
8. PERSONS DEPENDING ON CLAIMANT FOR SUPPORT					
AGE	RELATIONSHIP	AGE	RELATIONSHIP	AGE	RELATIONSHIP
9. ASSETS					
LINE NO.	TYPE OF PROPERTY	AMOUNT	LINE NO.	TYPE OF PROPERTY	AMOUNT
1	STOCK	\$ 0.00	4	OTHER PERSONAL PROPERTY - TOTAL	\$ 0.00
2	BONDS	\$ 0.00	5	REAL ESTATE (Other than claimant's residence) - TOTAL	\$ 0.00
3	BANK DEPOSIT	\$ 175,000.00	6	TOTAL AMOUNT OF ESTATE	\$ 175,000.00
10. MONTHLY INCOME					
LINE NO.	INCOME	AMOUNT	LINE NO.	INCOME	AMOUNT
1	SOCIAL SECURITY	\$ 882.00	4	DIVIDENDS AND INTEREST	\$ 0.00
2	RAILROAD RETIREMENT	\$ 0.00	5	EMPLOYMENT	\$ 0.00
3	OTHER RETIREMENT	\$ 0.00	6	RENTS	\$ 0.00
			7	OTHER	\$ 0.00
			8	TOTAL INCOME	\$ 882.00
11. MONTHLY EXPENSE					
1	SHELTER	\$ 400.00	5	MEDICAL EXPENSES	\$ 0.00
2	FOOD	\$ 100.00	6	EDUCATION	\$ 0.00
3	TAXES AND INTEREST	\$ 0.00	7	OTHER (Itemize)	\$ 125.00
4	CLOTHING	\$ 30.00	8	TOTAL EXPENSES	\$ 655.00
12. DISCUSSION					
<p>The Veteran's monthly income exceeds his expenses by \$227.00 (\$2,724.00 annually). According to his application, he possesses substantial assets in his certificate of deposit to sustain himself indefinitely. At the present time the Veteran's assets are enough to sufficiently meet his needs without VA assistance. The Veteran may reapply when he significantly spends down his assets.</p> <p>OTHER: Utilities</p>					
13. CONCLUSION					
<input type="checkbox"/> NET WORTH IS A BAR			<input type="checkbox"/> DEPENDENCY ESTABLISHED/CONTINUED		
<input type="checkbox"/> NET WORTH IS NOT A BAR			<input type="checkbox"/> DEPENDENCY DOES NOT EXIT		
14A. SUBMITTED BY (Signature of Adjudicator)		14B. DATE	15A. APPROVED BY (Signature of Authorizer)		15B. DATE

VA FORM APR 2002 **21-5427** STOCKS OF VA FORM 21-5427, APR 1992, WILL BE USED.

Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Administrative Decision Example</p> <p>Bruce White is a Veteran currently in receipt of nonservice-connected disability pension. VA receives his VA Form 21-0516, Improved Pension Eligibility Verification Report (Veteran with No Children), on January 9, 2017. The evidence reveals that his net worth has increased because he sold a parcel of land for \$175,000 on August 15, 2016. He reports his total net worth is \$175,000 in a non-interest bearing bank account. We were previously considering the land as part of the Veteran's net worth valued at \$65,000. The Veteran indicates that recent development around the parcel of land increased the property value. His VA Form 21-0516 also shows his only income is Social Security of \$882 per month and we are not considering any medical expenses on his award. On January 16, 2017, we sent a development letter with a proposed adverse action requesting a VA Form 21-8049, Request for Details of Expenses, to be completed. Mr. White completed VA Form 21-8049 on February 12, 2017. The new evidence does not reveal expenses that exceed his income.</p>	<p>DISPLAY slide</p> <p>46. "Administrative Decision Example"</p> <p>SELECT one of the trainees to read the scenario aloud.</p> <p>DIRECT trainees to read the example documents for this scenario in Appendix F.</p> <div style="text-align: center;">  </div> <p>ASK trainees the following questions:</p> <ul style="list-style-type: none"> • What is the updated net worth information provided by Mr. White? • What is the amended net worth? • Is the net worth a bar to benefits? • What is the rationale for your decision?




Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Administrative Decision Example Answers</p> <ul style="list-style-type: none">• What is the updated net worth information provided by Mr. White?<ul style="list-style-type: none">◦ <i>\$175,000 from parcel of land</i>• What is the amended net worth?<ul style="list-style-type: none">◦ <i>\$175,000</i>• Is net worth a bar to benefits?<ul style="list-style-type: none">◦ <i>Based on PMC VSR Discretion</i>• What is the rationale for your decision?<ul style="list-style-type: none">◦ <i>Variable answers based on PMC VSR discretion</i>	<p>DISPLAY slide</p> <p>47. "Administrative Decision Example Answers"</p> <p>DISCUSS the answers to the questions with trainees. Focus on the following facts:</p> <ul style="list-style-type: none">• \$175,000 is considered net worth because the parcel of land was sold• The new evidence does not reveal expenses that exceed his income.• VA Form 21-5427 was completed and there was a significant amount of net worth• Claimant's assets are sufficiently large enough that the claimant could live off these assets for a reasonable period of time <p>EXPLAIN to trainees that if net worth is a bar to benefits, then the award is terminated using the end-of-the-year rule for the effective date.</p> <p>NOTE: the next slide will provide the notification letter informing the claimant that benefits will be terminated.</p>




Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p data-bbox="154 296 604 327">Final Decision Notice Demo</p> 	<p data-bbox="703 296 927 327">DISPLAY slide</p> <p data-bbox="703 338 1192 369">48. "Final Decision Notice Demo"</p> <p data-bbox="703 394 1289 426">DIRECT trainees to access Appendix G.</p>  <p data-bbox="703 569 1414 678">DEMONSTRATE what a final decision notice for the example (Veteran Bruce White) looks like. Focus on the information outlined in the letter.</p>  <p data-bbox="703 827 964 858">ASK the trainees:</p> <ul data-bbox="703 884 1455 1167" style="list-style-type: none"><li data-bbox="703 884 1305 1014">• What is the date the award should be terminated?<ul data-bbox="751 982 1040 1014" style="list-style-type: none"><li data-bbox="751 982 1040 1014">○ <i>January 1, 2017</i><li data-bbox="703 1039 1455 1167">• What is the rationale for the termination date?<ul data-bbox="751 1094 1455 1167" style="list-style-type: none"><li data-bbox="751 1094 1455 1167">○ <i>The sale of property was in August 2016, so the termination would be January 1, 2017.</i>

Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Termination of Benefits</p> <p>Terminate the award the first of the year of the following calendar year.</p>	<p>DISPLAY slide</p> <p>49. "Termination of Benefits"</p>  <p>REFER trainees to M21-1 V.iii.1.J.2.a (Discontinuance for Excessive Net Worth). Have one of the trainees read the references aloud.</p> <p>EXPLAIN to trainees that an award is terminated for net worth if the amended net worth becomes excessive. If the net worth is excessive, then terminate the award the first of the year of the following calendar year. This is referred to as the end-of-the-year rule for the effective date.</p>  <p>REFER trainees to M21-1 V.iii.1.J.2.f (Examples of Adjusting Veterans Pension Awards Based on Changes in Net Worth). Have one of the trainees read Situation 1 aloud.</p>  <p>ASK trainees to answer the following question:</p> <p>On what date would you terminate the award for excessive net worth, if the claimant submits a claim on August 5, 2017?</p> <p>The award will be terminated on January 1, 2018.</p>



Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Practice Exercise—Net Worth Determination</p> <ul style="list-style-type: none"> • Instructions: <ul style="list-style-type: none"> ○ Divide into pairs. ○ Access Claim 3. ○ Use Appendix B: Part C—Net Worth worksheet to show your work. ○ Work as a group to: <ul style="list-style-type: none"> ▪ Calculate the amended net worth ▪ Determine the outcome for the amended net worth • Time allowed: 20 minutes 	<p>DISPLAY slide 50. "Practice Exercise—Net Worth Determination"</p> <p>DIRECT trainees to divide into groups of two.</p> <p>INFORM trainees that they will be working with their group to calculate the net worth based on Claim 3.</p> <p>DIRECT trainees to:</p> <ul style="list-style-type: none"> • Access Claim 3 • Use calculator to determine the net worth • Use Appendix B: Part C—Net Worth worksheet to show their work • Determine which of the three outcomes the amended net worth results in: <ul style="list-style-type: none"> ○ An update to amended net worth amount in VBMS-A ○ A termination of benefits <p>ALLOW 20 minutes to complete the practice exercise.</p>
<p>Practice Exercise—Net Worth Determination Answers</p> <p><i>Answers provided by instructor based on example claim selected.</i></p>	<p>DISPLAY slide 51. "Practice Exercise—Net Worth Determination Answers"</p> <p>REVIEW answers to practice exercise.</p> <p><i>Answers provided by instructor based on example claim selected.</i></p>

Lesson 3: Determine Net Worth Adjustments

Lesson Plan

PowerPoint Slides	Instructor Activities
<p>Questions?</p> 	<p>DISPLAY slide 52. "Questions"</p>  <p>ASK trainees if they have any questions or concerns regarding net worth adjustments. Use this time to clear up any confusion or misconceptions about the information presented.</p>
<p>Lesson Summary</p> <ul style="list-style-type: none"> • Once the amended net worth has been calculated for a running award, then the award adjustment for net worth may result in one of the following two outcomes: <ul style="list-style-type: none"> ○ An update to amended net worth amount in VBMS-A ○ A termination of benefits • An administrative decision for net worth determines if the net worth is a bar to benefits 	<p>DISPLAY slide 53. "Lesson Summary"</p> <p>REVIEW the key points of the lesson with a guided discussion using the following key points:</p> <ul style="list-style-type: none"> • Once the amended net worth has been calculated for a running award, then the award adjustment for net worth may result in one of the following two outcomes: <ul style="list-style-type: none"> ○ An update to amended net worth amount in VBMS-A ○ A termination of benefits • An administrative decision for net worth determines if the net worth is a bar to benefits
<p>What's Next</p> <p>Phase 5: Part 5a Knowledge Check Preparation</p>	<p>DISPLAY slide 54. "What's Next"</p> <p>DISCUSS the upcoming Phase 5: Part 5a Knowledge Check Preparation.</p>