



Veterans' Benefits: Benefits Available for Disabled Veterans

Christine Scott

Specialist in Social Policy

Carol D. Davis

Information Research Specialist

Libby Perl

Specialist in Housing Policy

January 23, 2012

Congressional Research Service

7-5700

www.crs.gov

RL34626

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

Although U.S. Armed Forces are deployed around the globe, a number of servicemembers are currently serving in the Operation Enduring Freedom (OEF) combat zone. As a result of the risks facing these servicemembers, some of them are incurring injuries or illnesses during their active service (or having existing medical conditions worsen as a result of their service). Congress has shown an interest in the treatment of injured servicemembers while undergoing medical treatment and in their transition from military to civilian life as veterans. An injured servicemember (or veteran) may require specific types of assistance or benefits to enable him or her to have a better quality of life.

The Department of Veterans Affairs (VA) provides a range of benefits for veterans. However, certain benefits have specifically been created to assist disabled veterans.

Disability compensation provides a monthly cash benefit to veterans whose disabilities resulted from injury or disease contracted in or aggravated by military service. The amount is based on the level of disability.

The Vocational Rehabilitation and Employment (VR&E) program is designed to help veterans with service-connected disabilities prepare for, find, and keep suitable jobs. Assistance is also available to help veterans with living skills.

Automobile and special adaptive equipment grants are available to certain disabled veterans and servicemembers to purchase new or used automobiles (or other conveyances) to accommodate a disability.

Clothing allowances are designed for certain veterans entitled to receive compensation for a service-connected disability for which he or she uses a prosthetic or orthopedic device.

Housing grants are provided for constructing an adapted home or modifying an existing home to meet the adaptive needs of certain veterans and servicemembers. There are three grant programs available for permanent residences, and two of the three grant programs are also available for temporary residences.

Service Disabled Veterans' Insurance (S-DVI) is life insurance for veterans who have received a service-connected disability rating by the VA.

This report provides information on these benefits, including eligibility, history, and the application process. Information regarding spending and the beneficiaries of these benefits is in the **Appendix** to this report. This report will be updated as new information becomes available.

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Although U.S. Armed Forces are deployed around the globe, a number of servicemembers are currently serving in the Operation Enduring Freedom (OEF) combat zone. As a result of the risks facing these servicemembers, some of them are incurring injuries or illnesses during their active service (or having existing medical conditions worsen as a result of their service). Congress has shown an interest in the treatment of injured servicemembers while undergoing medical treatment and their transition from military to civilian life as veterans. An injured servicemember (or veteran) may require specific types of assistance or benefits to enable him or her to have a better quality of life.

The VA provides a range of benefits for veterans who meet certain eligibility criteria. However, certain benefits have specifically been created to assist disabled veterans. Among them are disability compensation, the vocational rehabilitation and employment program, automobile and special adaptive equipment grants, clothing allowances grants, adapted housing grants, and service-disabled veterans' insurance.

This report provides information on these benefits, including eligibility, legislative history, and the application process. The **Appendix** provides a table with the number of beneficiaries and FY2010 outlays (spending) for each of the benefits discussed in this report.

Disability Compensation

Disability compensation provides a monthly cash benefit to veterans who have incurred an injury or disease contracted in, or aggravated by, active military service.¹ The benefit level is determined by the level of disability.² A disability rating is assigned (from 0% to 100% in increments of 10%) by the VA after a physical examination of all body systems for which the veteran is claiming a disability. However, a cash benefit is only provided to veterans with a rating of 10% or more.

The basic benefit amount ranges from \$127 to \$2,769 per month, depending on the disability rating. Additional amounts can be paid in certain circumstances, including severe disabilities or loss of limbs; having a spouse, dependent children,³ or dependent parents; or having a disabled spouse.

Legislative History

Prior to World War I, disability compensation was a component of the pension program based on military service in a particular conflict. The World War Veterans Act of 1924 (P.L. 242), later codified by P.L. 85-56 and P.L. 85-857, established the modern disability compensation program.⁴

¹ 38 U.S.C. §1131.

² For more information on the VA's disability rating schedule, see CRS Report RL33991, *Disability Evaluation of Military Servicemembers*, by Christine Scott and Don J. Jansen. For a more thorough description of the rating process, see CRS Report RL33323, *Veterans Affairs: Benefits for Service-Connected Disabilities*, by Douglas Reid Weimer.

³ This includes children between the ages of 18 and 23 attending college.

⁴ For more information on the legislative history of the disability compensation program, see *VA Disability Compensation Program Legislative History December 2004 Report*, by VA Office of Policy, Planning, and Preparedness, pp. 33-39, available at http://www.va.gov/op3/docs/ProgramEvaluations/DisCompProgram/Disability_Comp_Legislative_Histor_lit_Review.pdf. (Hereinafter referred to as *VA Disability Compensation Program Legislative History December 2004 Report*).

Eligibility and Application Process

A veteran may be eligible for disability compensation if (1) the veteran is disabled resulting from personal injury suffered or disease contracted in the line of duty, or for aggravation of a preexisting injury suffered or disease contracted in the line of duty, in the active military, naval, or air service, during a period of war and (2) if the veteran was discharged or released under conditions other than dishonorable from the period of service in which the injury was incurred.⁵ The VA makes a case-by-case determination of whether the discharge was under “conditions other than dishonorable” and can review dishonorable discharges to determine whether the veteran may be eligible for VA benefits.⁶

The application process requires proving a medical diagnosis of current disability, medical evidence of the in-service incident or the worsening of an injury or disease, and a link between the in-service incident or the worsening of a disease and military service. To apply, a veteran completes VA Form 21-526 and provides the following materials: discharge or separation papers (Department of Defense Form DD214 or its equivalent) and dependency records (marriage license and children’s birth certificates). The VA will then review the documentation and schedule an examination for the disability evaluation.

After the examination, a disability rating is assigned. If the rating is 10% or more, the veteran will then receive his or her disability compensation payment at the beginning of the next month.

Vocational Rehabilitation and Employment Program

The Vocational Rehabilitation and Employment (VR&E) program is designed to help veterans with service-connected disabilities prepare for, find, and keep suitable jobs. Veterans with severe service-connected disabilities who cannot immediately consider work are offered other services by the VR&E to improve their ability to live as independently as possible.⁷

Legislative History

The vocational rehabilitation program for veterans began in 1918. With the end of World War I, concerns were raised about ensuring that returning disabled servicemembers be provided a mechanism for resuming productive economic lives. The Vocational Rehabilitation Act (P.L. 65-178), which was enacted by Congress in 1918, provided for “vocational rehabilitation and return to civil employment of disabled persons discharged from military or naval forces of the United States.”⁸

⁵ 38 U.S.C. §1110.

⁶ For a more detailed description of eligibility and the claims process, see CRS Report RL33113, *Veterans Affairs: Basic Eligibility for Disability Benefit Programs*, by Douglas Reid Weimer.

⁷ 38 U.S.C. §3102.

⁸ *VA Disability Compensation Program Legislative History December 2004 Report*, p. 35.

Under current law, the VR&E program must provide a number of services including the following:⁹

- a comprehensive rehabilitation evaluation to determine a veteran's abilities, skills, interests, and needs;
- vocational counseling and rehabilitation planning;
- employment services such as job-seeking skills, resumé development, and other work readiness assistance;
- assistance finding and keeping a job (including the use of special employer incentives);
- on-the-job training, apprenticeships, and non-paid work experiences (if needed);
- post-secondary training at a college, vocational, technical, or business school;
- supportive rehabilitation services (including case management, counseling, and referral); and
- independent living services.

Eligibility and entitlement must be established for participation in this program. A veteran who has an employment handicap and is eligible for the VR&E program is entitled to all applicable services.

Eligibility and Application Process

The eligibility process involves a two-step process to establish eligibility and entitlement. To be eligible in the VR&E program, a veteran must (1) have received or will receive a discharge that is other than dishonorable and (2) have a service-connected disability rating of at least 10%.¹⁰

There is a limitation in the period of eligibility. VR&E services may be used up to 12 years from the latter of the following dates:

- date of separation from active military service or
- date the veteran was first notified by the VA of a service-connected disability rating.

The period of eligibility may be extended if a Vocational Rehabilitation Counselor (VRC) determines that a veteran has a serious employment handicap.

After eligibility is established, the veteran meets with a VRC for a comprehensive evaluation to determine whether the veteran is entitled to services. The comprehensive evaluation includes the following:

⁹ For more information regarding the services of the VR&E program, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Christine Scott and Carol D. Davis.

¹⁰ 38 U.S.C. §3102.

- an assessment of the veteran's interests, aptitudes, and abilities;
- an assessment of whether service-connected disabilities impair the veteran's ability to find or hold a job using the occupational skills that he or she has already developed; and
- vocational exploration and goal development.

An entitlement determination is required to enter the VR&E program. On the basis of the results of the comprehensive evaluation, a VRC determines whether a veteran has an employment handicap. A veteran is entitled to services if the veteran is within the period of eligibility, has a 20% or greater service-connected disability rating, and has an employment handicap.

If the service-connected disability rating is less than 20% or if the veteran is beyond the period of eligibility, then a serious employment handicap must be found to establish entitlement to VR&E services.

If a veteran is found to be ineligible for services, the VRC will help him or her locate other resources to address any rehabilitation and employment needs identified during the evaluation. Other resources that the veteran may be referred to include state vocational rehabilitation programs, Department of Labor employment programs for disabled veterans, local agencies providing services for employment or small business development, Internet-based resources for rehabilitation and employment, and information about applying for financial aid.

Automobile and Special Adaptive Equipment Grants

Financial assistance is available to certain disabled veterans and servicemembers to purchase new or used automobiles (or other conveyances) to accommodate a disability. The veteran or servicemember may only receive the automobile grant once in his or her lifetime. The grant is up to \$18,900, and is paid directly to the seller of the automobile to be applied to the total price of the automobile.¹¹ Certain veterans who need to have a vehicle specially adapted due to their service-connected disability may qualify for the adaptive equipment grant.

Legislative History

P.L. 79-663 in 1946 and P.L. 80-785 in 1948 appropriated funding for helping disabled World War II veterans in purchasing automobiles. The two laws specified a \$1,600 per-vehicle allowance, but they did not place a limitation on the number of cars a veteran could purchase. Because this limitation was not in place, some qualified veterans could not receive benefits due to a shortfall in funding.

In 1950, P.L. 81-798 authorized the VA to pay up to \$1,600 of the costs for disabled World War II veterans to purchase specially adapted automobiles, with a limit of one assisted automobile purchase per veteran. The benefit amount has increased over the years. Most recently, The

¹¹ 38 U.S.C. §3902.

Transportation Equity Act for the 21st Century (P.L. 105-178) increased the benefit amount from \$5,500 to \$8,000; the Veterans Education and Benefits Expansion Act of 2001 (P.L. 107-103) increased the benefit amount to \$9,000; and the Veterans Benefits Act of 2003 (P.L. 108-183) increased the benefit amount to \$11,000. The Veterans' Benefits Act of 2010 (P.L. 111-275) increased the benefit amount to \$18,900 effective October 1, 2011, and provided for an annual inflation adjustment to this amount.

Eligibility and Application Process

The adapted automobile grants are available to any veteran or servicemember entitled to compensation as the result of certain injuries incurred or diseases contracted in or aggravated by active military, naval, or air service. Those specific injuries include the loss or permanent loss of use of one or both feet, one or both hands, or permanent impairment of vision.¹² The Veterans' Benefits Act of 2010 (P.L. 111-275) expanded eligibility to include veterans with a severe burn injury effective October 1, 2011.

Veterans can apply for the grant by submitting VA Form 21-4502, *Application for Automobile or Other Conveyance or Adaptive Equipment*, (completing only Section I) to the local VA regional office to establish entitlement. The VA will complete Section II, which certifies eligibility, and return the original to the veteran. The veteran is then responsible for obtaining the invoice from the seller, completing Section III, and submitting the completed form to the local VA regional office.

If the veteran is entitled to adaptive equipment only (i.e., service-connected for ankylosis, or stiff or fixed joints, of the knees or hips), the veteran would complete VA Form 10-1394, *Application for Adaptive Equipment-Motor Vehicle*, and submit it to the local VA medical center. Additionally, VA Form 10-1394 should be completed for approval of equipment not specified on VA Form 21-4502.

Clothing Allowance Grant

The clothing allowance benefit is designed for any veteran who is entitled to receive compensation for a service-connected disability for which he or she uses a prosthetic or orthopedic device. The allowance is also available to any veteran whose service-connected skin condition requires prescribed medication that irreparably damages the veteran's outer garments. A veteran with multiple disabilities may be eligible to receive up to two times the clothing allowance.

Legislative History

In 1972, Congress mandated under P.L. 92-328 that the VA Administrator shall pay a clothing allowance to each veteran because of a service-connected disability. This law was passed due to disability devices wearing out or tearing up the clothing of the veteran. The allowance was

¹² 38 U.S.C. §3901.

originally set at \$150 per year, but it has been increased by legislation to the current annual level of \$741.¹³

Eligibility and Application Process

To apply for the annual clothing allowance, a veteran completes VA Form 10-8678, *Application for Annual Clothing Allowance*.¹⁴

Enrollment for the benefit is for one year. Each year the enrollment is reviewed and may be renewed depending upon the priority group.¹⁵ Priority groups range from 1 to 8, with 1 being the highest priority for enrollment. This assignment is based on eligibility status, which is determined during the application process.

Adapted Housing Grants

Adapted housing grants are provided for constructing an adapted home or modifying an existing home to meet the needs of veterans and members of the Armed Forces with disabilities. There are three major grant programs:

- The Specially Adapted Housing (SAH) grant (or §2101(a) grant, after the U.S. Code section where it is codified) is available for permanent and some temporary residences and is focused on the construction or acquisition of a specially adapted home or remodeling of an existing home into a specially adapted home for veterans and servicemembers;
- The Special Housing Adaptation (SHA) grant (or §2101(b) grant) is available for permanent and some temporary residences and is focused on adapting homes to reduce the barriers to living for veterans and servicemembers (disability requirements differ from those for the SAH grant); and
- The Home Improvements and Structural Alterations (HISA) grant is available for permanent residences and is focused on improvements necessary for treatment continuation or for disability access to the home and essential lavatory and sanitary facilities for veterans with disabilities.

Specially Adapted Housing Grant

The SAH grants are focused on the construction or acquisition of a specially adapted home or remodeling of an existing home into a specially adapted home for veterans and servicemembers with disabilities. The goal is to provide a barrier-free living environment that affords the veteran or servicemember a level of independent living that he or she may not otherwise enjoy. The grant is limited statutorily to \$60,000 per lifetime,¹⁶ but the Housing and Economic Recovery Act of 2008 (P.L. 110-289) provided that the VA Secretary shall annually adjust the grant limit based on

¹³ 38 U.S.C. §1162.

¹⁴ To download this form, go to <http://www.va.gov/vaforms/medical/pdf/10-8678-fill%204-08.pdf>.

¹⁵ For more information regarding this benefit, contact the nearest VA Regional Office.

¹⁶ 38 U.S.C. §2102(d).

a residential home cost-of-construction index established by the Secretary.¹⁷ Most recently, for FY2012, the level was set at \$63,780.¹⁸ Veterans and servicemembers may use the grant up to three times.¹⁹

The VA can provide an SAH grant of up to \$14,000 to disabled veterans and servicemembers temporarily living in a home owned by a family member. This program for temporary residence grants is scheduled to expire on December 31, 2012 (P.L. 112-37).²⁰

Eligibility

The SAH benefit is available to veterans and servicemembers who have service-connected disabilities.²¹ These service-connected disabilities entitle them to compensation for permanent and total disability due to

- the loss or loss of use of both lower extremities, such as to prevent movement without the aid of braces, crutches, canes, or a wheelchair;
- blindness in both eyes, having only light perception, plus the loss of use of one lower extremity;
- the loss or loss of use of one lower extremity together with (1) residual of organic disease or injury, or (2) the loss or loss of use of one upper extremity, which also affects the functions of balance or propulsion so as to prevent movement without the aid of braces, crutches, canes, or a wheelchair;
- disability due to a severe burn injury; and
- the loss or loss of use of both upper extremities such as to prevent the use of the arms at or above the elbow.

In addition, it must be medically feasible for the veteran or servicemember to live in the house; the house must be adapted to meet the veteran's or servicemember's needs; and it must be feasible, with the grant assistance, for the veteran or servicemember to buy the house.

Application Process

To apply for the SAH grant, a veteran or servicemember completes and submits VA Form 26-4555, *Application in Acquiring Specially Adapted Housing or Special Home Adaptation Grant*, to the local VA regional office.²²

¹⁷ The cost-of-construction index is to reflect the average change in construction costs from year-to-year. The VA chose an existing index, the Turner Building Cost Index. See U.S. Department of Veterans Affairs, "Loan Guaranty: Assistance to Eligible Individuals in Acquiring Specially Adapted Housing; Cost-of-Construction Index," 74 *Federal Register* 48658, September 24, 2009.

¹⁸ See VA website, "VA Announces Amounts of Assistance for Veterans Under the VA Specially Adapted Housing Program for Fiscal Year 2012," http://www.benefits.va.gov/HOMELOANS/docs/website_alert_2012.pdf.

¹⁹ 38 U.S.C. §2102(d).

²⁰ For more information on active duty adaptive housing grants, see http://www.benefits.va.gov/homeloans/docs/part1_va_pamphlet_26_jrd_edits_doc.pdf.

²¹ 38 U.S.C. §2101(a).

²² The form is available at <http://www.vba.va.gov/pubs/forms/VBA-26-4555-ARE.pdf>.

Special Housing Adaptation Grant

The VA also offers the SHA grant. This grant is used to assist veterans and servicemembers with disabilities to achieve mobility throughout their homes. The grant is statutorily limited to \$12,000 per lifetime,²³ and the FY2012 limit based on costs of construction is \$12,756.²⁴ The grant may be used up to three times.

The VA can provide an SHA grant of up to \$2,000 to disabled veterans and servicemembers temporarily living in a home owned by a family member. This program for temporary residence grants is scheduled to expire on December 31, 2012 (P.L. 112-37).²⁵

Eligibility

The SHA grant is available to veterans and servicemembers who have service-connected disabilities entitling them to compensation for permanent and total disability due to

- blindness in both eyes with 5/200 visual acuity or less,
- the anatomical loss or loss of use of both hands or extremities below the elbow, or
- a severe burn injury.²⁶

Application Process

The application process for the SHA grant is the same as for the SAH grant: a veteran or servicemember completes and submits VA Form 26-4555, *Application in Acquiring Specially Adapted Housing or Special Home Adaptation Grant*, to the local VA regional office.

Home Improvements and Structural Alterations Grant

Under the HISA grant program, assistance is provided for any home improvement necessary for the continuation of the disabled veteran's treatment, or for disability access to the home and essential lavatory and sanitary facilities. A HISA grant is available to veterans who have received medical determinations indicating that improvements and structural alterations are necessary or appropriate for the effective and economical treatment of their disabilities. A veteran may receive both a HISA grant and either an SHA or SAH grant.

²³ 38 U.S.C. §2102(d).

²⁴ See VA website, "VA Announces Amounts of Assistance for Veterans Under the VA Specially Adapted Housing Program for Fiscal Year 2012," http://www.benefits.va.gov/HOMELOANS/docs/website_alert_2012.pdf.

²⁵ For more information on active duty adaptive housing grants, see http://www.benefits.va.gov/homeloans/docs/part2_va_pamphlet_26_jrd_edits_doc.pdf.

²⁶ 38 U.S.C. §2101(b).

Eligibility

The HISA program is available for veterans with both service-connected and non service-connected disabilities, as detailed below:

- For veterans with a service-connected disability who applied prior to May 5, 2010, the maximum home improvement benefit is \$4,100. For veterans applying on or after that date, the maximum benefit is \$6,800.²⁷
- For veterans with a non service-connected disability who applied prior to May 5, 2010, the maximum home improvement benefit is \$1,200. For veterans applying on or after that date, the maximum benefit is \$2,000.²⁸

Application Process

To apply for the HISA grant, the veteran completes and submits VA Form 10-0103, *Veterans Application for Assistance in Acquiring Home Improvement and Structural Alterations*, to the local VA medical center.²⁹

Legislative History of Specially Adapted Housing Benefits

In 1948, P.L. 80-702 authorized the VA to pay up to 50% of the cost for a disabled veteran to purchase a new home or modify existing housing to adapt it to accommodate his or her disability. The law had a one-year limitation (after discharge) for the entitlement, but this was flexible under specific circumstances. It also gave the VA authority to add other chronic diseases within its eligibility lists. In the Veterans' Disability Compensation and Housing Benefits Amendments of 1980 (P.L. 96-385), Congress expanded the Specially Adapted Housing program to include veterans who may need to modify their homes, but not to the degree required for veterans who need assistance walking or are unable to walk, with a focus on veterans who are blind. This is the portion of the program referred to as the Special Housing Adaptation Grant.

In 2006, the Veterans' Housing Opportunity and Benefits Improvement Act of 2006 (P.L. 109-233) permitted the use of SHA and SAH grants for temporary residences and allowed eligible veterans or active duty servicemembers to use the benefit for up to three occurrences as long as the aggregate granted by the Secretary does not exceed the maximum amount allowable.

The Housing and Economic Recovery Act of 2008 (P.L. 110-289) made several changes related to home modifications for veterans:

- Members of the Armed Forces with service-connected disabilities and individuals residing outside the United States were made eligible for assistance.³⁰

²⁷ 38 U.S.C. §1717(a).

²⁸ Ibid.

²⁹ The form is available at <http://www.prosthetics.va.gov/docs/vha-10-0103-fill.pdf>. For more information about HISA, see <http://www.prosthetics.va.gov/HISA2.asp>.

³⁰ 38 U.S.C. §2101A.

- The law added assistance for members of the Armed Forces with service-connected disabilities residing temporarily in housing owned by a family member.³¹
- The law provided that individuals with severe burn injuries are eligible for specially adapted housing assistance.³²
- Assistance was extended for individuals residing temporarily in housing owned by a family member.³³
- The law increased the statutory benefit amount for the SAH grant from \$50,000 to \$60,000 and for SHA from \$10,000 to \$12,000.³⁴

The Veterans' Benefits Improvement Act of 2008 (P.L. 110-389) required the Secretary to provide, at no cost, a handbook to veterans of appropriate designs for specially adapted housing. The handbook is to be updated every six years to take into account new or unique disabilities.

Service Disabled Veterans' Insurance

Service Disabled Veterans' Insurance (S-DVI) is life insurance for veterans who have received a service-connected disability rating from the VA. The basic S-DVI program insures eligible veterans for up to \$10,000 of coverage. Veterans who have basic S-DVI coverage and are totally disabled before age 65 are eligible to have their premiums waived.³⁵

If a premium waiver is granted, a totally disabled veteran may apply for additional coverage up to \$30,000 under the Supplemental S-DVI program. Premiums for Supplemental S-DVI coverage, however, cannot be waived. The cost varies depending upon the veteran's age, type of plan, and the amount of coverage.³⁶

Legislative History

The Insurance Act of 1951 (P.L. 82-23) established the Service-Disabled Veterans' Insurance (S-DVI) program for veterans with service-connected disabilities. S-DVI is open to veterans who separated from the service on or after April 25, 1951, who received a service-connected disability rating of 0% or greater. The Veterans' Benefit Act of 1992 (P.L. 102-568) adjusted the current program and provided for \$20,000 of supplemental coverage to S-DVI policyholders.³⁷

To protect veterans who become incompetent from a service-connected disability while eligible to apply for S-DVI and who die before an application is filed, P.L. 82-83 was amended in 1991 by

³¹ This was accomplished by replacing the word "veteran" with "individual" in 38 U.S.C. §2102A.

³² 38 U.S.C. §§2101(a)(2) and (b)(2).

³³ 38 U.S.C. §2102A(e).

³⁴ 38 U.S.C. §2102(d).

³⁵ 38 U.S.C. §1922.

³⁶ For more information on S-DVI, see CRS Report R41435, *Veterans' Benefits: Current Life Insurance Programs*, by Christine Scott.

³⁷ Ibid.

P.L. 102-86. This insurance is issued posthumously, and it is payable to a preferred class of the veteran's relatives in a lump sum.³⁸

To provide veterans with financial relief from high premium rates at advanced ages, S-DVI term premiums were "capped" at the age 70 renewal rate effective November 1, 2000, by P.L. 106-419. This means that the annual premium for these policies will not exceed \$69.73 per \$1,000 of coverage.

The Veterans' Benefits Improvement Act of 2008 (P.L. 110-389) provided that the costs of administering the insurance program be paid from premiums credited to the fund, and that payments for claims in excess of premiums credited (after administrative expenses are paid) are to be paid from appropriations.

The Veterans' Benefits Act of 2010 (P.L. 111-275) increased the maximum amount of supplemental coverage to \$30,000 effective October 1, 2011.

Eligibility and Application Process

To be eligible for S-DVI, a veteran must have³⁹

- received other than a dishonorable discharge;
- been released from active duty after April 25, 1951; and
- received a rating for a new service-connected disability within the last two years.

However, the veteran does not need to have a 100% rating to be eligible. Veterans who receive a new rating of even 0% are eligible for the coverage.⁴⁰ The veteran must apply for the insurance within two years from the date he or she is notified that service-connection has been established.

S-DVI policyholders are eligible for supplemental coverage if

- they are eligible for a waiver of premiums on their S-DVI policy due to total disability,
- they apply for the coverage within one year from notice of the grant of waiver, or
- they are under the age of 65.

A veteran applies for the basic S-DVI using the VA Form 29-4364, *Application for Service-Disabled Veterans Insurance*. To apply for the supplemental S-DVI, the veteran must complete VA Form 29-0188, *Application for Supplemental Service-Disabled Veterans Insurance* (SRH) or submit a letter requesting supplemental S-DVI. To receive a total disability waiver of S-DVI premiums, a veteran must fill out VA Form 29-357, *Claim for Disability Insurance Benefit*

³⁸ For a definition of the preferred class of veteran's relatives, see *VA Life Insurance Programs for Veterans and Servicemembers Handbook*, Philadelphia, PA, January 2011, p. 76.

³⁹ 38 U.S.C. §1922.

⁴⁰ A veteran can have a service-connected disability with a rating of 0%.

(Government Life). Submission of all forms can be done at the local VA regional office or online at the VA website.⁴¹

⁴¹ For more information on the veteran's insurance application process, see <http://www.insurance.va.gov/gli/buying/SDVI.htm>.

Appendix. Use of Benefits for Disabled Veterans

Table A-1. Beneficiaries and Spending on Benefits for Disabled Veterans in FY2010

Benefit	Number of Beneficiaries (in thousands)	Outlays (Spending) (\$ in millions)
Disability Compensation (for veterans)	3,154.7	38,094.0
Vocational Rehabilitation and Education (for veterans, spouses, and certain dependents) ^a	80.6	760.4
Adaptive Automobile and Equipment Grants (for disabled veterans and servicemembers)	9.1	75.4
Clothing Allowances (for veterans)	89.9	64.4
Specially Adapted Housing Grant (for veterans and disabled servicemembers)	1.8	68.3
Service Disabled Veterans' Insurance (for veterans) ^b	185.0	115.4

Source: Table provided by the CRS compilation of data from the Department of Veteran Affairs (VA), *FY2012 Budget Submission, Benefits and Burial Programs and Departmental Administration*, Volume 3 of 4, Table, pp. 2A-2 to 2A-3, 2B-2 to 2B-3, and 2G-11 to 2G-12. Available at http://www.va.gov/budget/docs/summary/Fy2012_Volume_III-Benefits_Burial_Dept_Admin.pdf.

a. This does not include those receiving VR&E counseling services.

b. Outlays for Service-Disable Veterans' Insurance are gross outlays.

Author Contact Information

Christine Scott
Specialist in Social Policy
cscott@crs.loc.gov, 7-7366

Libby Perl
Specialist in Housing Policy
eperl@crs.loc.gov, 7-7806

Carol D. Davis
Information Research Specialist
cdavis@crs.loc.gov, 7-8994

Acknowledgments

This report was originally written by St. Jalisa E. Miller, an intern with the Congressional Research Service, Domestic Social Policy Division. All questions should be directed to the current authors.