

New VA Pension Benefit Rule

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Half-A-Loaf Planning Checklist

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VA PENSION HALF-A-LOAF PLANNING CHECKLIST

Gather data (usually good to have them update the worksheet)

- Obtain current values of all assets (including spouse, if applicable)
- Identify all income and deductions from income (including spouse, if applicable)
- Identify any spenddown options such as home improvements, car purchase, funeral plans, debt payment, planning fees, etc.
- Identify ENTIRE budget, with medical and non-medical items Calculate Monthly

Income for VA Purposes (IVAP)

- Total your allowable medical expenses
- Subtract 5% of applicable maximum annual pension rate (MAPR)
- Subtract medical expenses (less 5%) from gross income (including spouse's, if applicable)
- This is your monthly IVAP: _____

Calculate excess resources

- Subtract positive IVAP from net worth limit (\$123,600 for 2018) to identify allowable resources
- Subtract spend down items from total countable resources

Calculate burn rate

- Calculate total monthly budget, including all non-care expenses
- Add the Monthly Penalty Rate (\$2169 for 2018)
- Subtract gross monthly income for veteran (and spouse, if applicable)

Calculate plan/eligibility period

- Divide excess resources by burn rate to get length of plan
- If length of plan is more than 36 months, make gift and wait until month after expiration of 36 months
- If length of plan is less, do half-a-loaf plan

Gift, wait and apply:

- Make gift in trust or outright. Gift amount = Plan Length X Penalty Divisor (\$2169 for 2018)
- Consider transferring allowable resources such as a home and vehicle(s) outright or to trust
- Apply no sooner than one year before end of penalty period
- DO NOT ALLOW ANY MORE GIFTING. It will restart your penalty period.
- Wait through the penalty period for eligibility