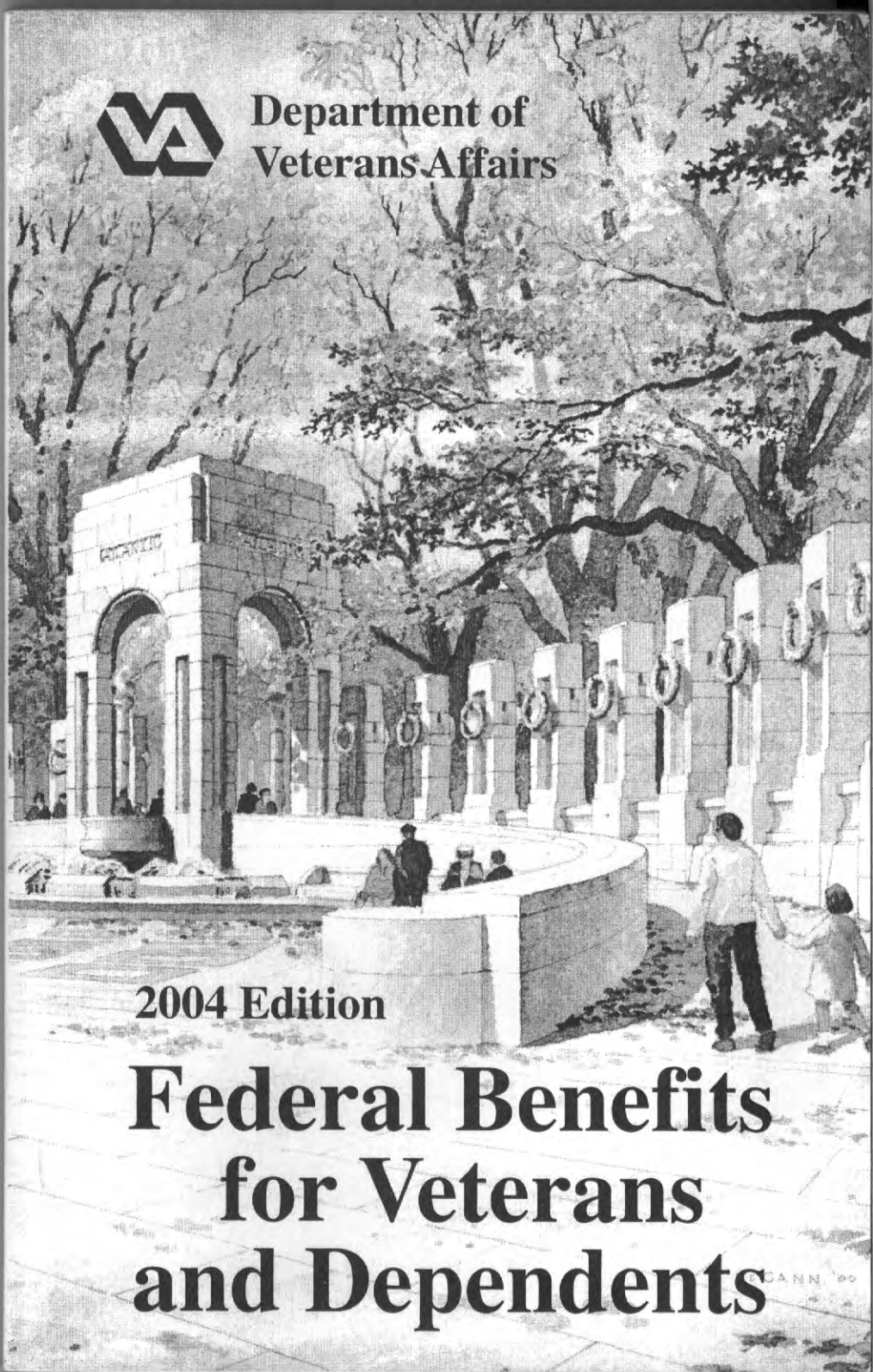




Department of
Veterans Affairs



2004 Edition

Federal Benefits for Veterans and Dependents

VA Special Events for 2004

The Department of Veterans Affairs sponsors a number of special events each year as part of the recreation therapy provided to veterans under VA care. For details on eligibility and participation, or to be a volunteer, contact the VA National Advisor at the phone number listed below. The schedule for 2004:

Winter
Sports Clinic
Sandy Trombetta
(970) 244-1314

April 4 - 9
Snowmass, Colo.

Wheelchair
Games
Tom Brown
(210) 617-5125

June 15 - 19
St. Louis, Mo.

Golden Age
Games
Dewayne Vaughn
(202) 745-8615

July 18 - 23
Fresno, Calif.

Creative Arts
Festival
Elizabeth Mackey
(320) 255-6351

October 10 - 16
Salt Lake City, Utah

On the Cover: Artist rendition of the National World War II Memorial in Washington, D.C., dedicated May 29, 2004. Rendition by Michael McCann. For more information visit www.wwiimemorial.com.

Federal Benefits for Veterans and Dependents

2004 Edition

**Department of
Veterans Affairs**

Office of Public Affairs (80D)
810 Vermont Ave., N.W.
Washington, DC 20420

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Introduction

This pamphlet describes federal benefits available to veterans and their dependents as of Jan. 1, 2004. Changes may occur during the year as a result of legislative or other requirements. The Department of Veterans Affairs (VA) World Wide Web pages are updated throughout the year to present the most current information. The VA Web site (<http://www.va.gov>) contains links to sections on compensation and pension benefits, health care benefits, burial and memorial benefits, home loan guarantees and other information.

Eligibility depends upon individual circumstances. To determine eligibility for VA health care, contact the Health Benefits Service Center at 1-877-222-8387. For VA benefits eligibility, contact a VA benefits office at 1-800-827-1000 from any location in the United States. Assistance is also available through Telecommunication Device for the Deaf (TDD) at 1-800-829-4833. Phone numbers of VA offices, including those in the Philippines and Puerto Rico, are listed in the back of this book. VA facilities also are listed in the federal government section of telephone directories under Department of Veterans Affairs.

Eligibility for most VA benefits is based upon discharge from active military service under other than dishonorable conditions. Active service means full-time service as a member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or as a commissioned officer of the Public Health Service, the Environmental Services Administration or the National Oceanic and Atmospheric Administration. Men and women veterans with similar service are entitled to the same VA benefits.

Honorable and general discharges qualify a veteran for most VA benefits. Dishonorable and bad conduct discharges issued by general courts-martial may bar VA benefits. Veterans in prison and parolees may be eligible for certain VA benefits. VA regional offices can clarify the eligibility of prisoners, parolees and individuals with multiple discharges issued under differing conditions. VA benefits will not be provided to any veteran or dependent wanted for an outstanding felony warrant.

Wartime Service

Certain VA benefits require wartime service. Under the law, VA recognizes these war periods:

Mexican Border Period: May 9, 1916, through April 5, 1917, for veterans who served in Mexico, on its borders or in adjacent waters.

World War I: April 6, 1917, through Nov. 11, 1918; for veterans who served in Russia, April 6, 1917, through April 1, 1920; extended through July 1, 1921, for veterans who had at least one day of service between April 6, 1917, and Nov. 11, 1918.

World War II: Dec. 7, 1941, through Dec. 31, 1946.

Korean War: June 27, 1950, through Jan. 31, 1955.

Vietnam War: Aug. 5, 1964 (Feb. 28, 1961, for veterans who served "in country" before Aug. 5, 1964), through May 7, 1975.

Gulf War: Aug. 2, 1990, through a date to be set by law or Presidential Proclamation.

Special Groups: A number of groups who have provided military-related service to the United States have been granted VA benefits. For the service to qualify, the Secretary of Defense must certify that the group has provided active military service. Individuals must be issued a discharge by the Secretary of Defense to qualify for VA benefits. Service in the following groups has been certified as active military service for benefits purposes:

1. Women Airforce Service Pilots (WASPs).
2. World War I Signal Corps Female Telephone Operators Unit.
3. Engineer Field Clerks.
4. Women's Army Auxiliary Corps (WAAC).
5. Quartermaster Corps female clerical employees serving with the American Expeditionary Forces in World War I.
6. Civilian employees of Pacific naval air bases who actively participated in defense of Wake Island during World War II.
7. Reconstruction aides and dietitians in World War I.
8. Male civilian ferry pilots.
9. Wake Island defenders from Guam.
10. Civilian personnel assigned to OSS secret intelligence.
11. Guam Combat Patrol.

12. Quartermaster Corps members of the Keswick crew on Corregidor during World War II.

13. U.S. civilians who participated in the defense of Bataan.

14. U.S. merchant seamen who served on blockships in support of Operation Mulberry in the World War II invasion of Normandy.

15. American merchant marines in oceangoing service during World War II.

16. Civilian Navy IFF radar technicians who served in combat areas of the Pacific during World War II.

17. U.S. civilians of the American Field Service who served overseas in World War I.

18. U.S. civilians of the American Field Service who served overseas under U.S. armies and U.S. army groups in World War II.

19. U.S. civilian employees of American Airlines who served overseas in a contract with the Air Transport Command between Dec. 14, 1941, and Aug. 14, 1945.

20. Civilian crewmen of U.S. Coast and Geodetic Survey vessels who served in areas of immediate military hazard while conducting cooperative operations with and for the U.S. armed forces between Dec. 7, 1941, and Aug. 15, 1945.

21. Members of the American Volunteer Group (Flying Tigers) who served between Dec. 7, 1941, and July 18, 1942.

22. U.S. civilian flight crew and aviation ground support employees of United Air Lines who served overseas in a contract with Air Transport Command between Dec. 14, 1941, and Aug. 14, 1945.

23. U.S. civilian flight crew and aviation ground support employees of Transcontinental and Western Air, Inc. (TWA), who served overseas in a contract with the Air Transport Command between Dec. 14, 1941, and Aug. 14, 1945.

24. U.S. civilian flight crew and aviation ground support employees of Consolidated Vultee Aircraft Corp. (Consairway Division) who served overseas in a contract with Air Transport Command between Dec. 14, 1941, and Aug. 14, 1945.

25. U.S. civilian flight crew and aviation ground support employees of Pan American World Airways and its subsidiaries and affiliates, who served overseas in a contract with the Air Transport Command and Naval Air Transport Service between Dec. 14, 1941, and Aug. 14, 1945.

26. Honorably discharged members of the American Volunteer Guard, Eritrea Service Command, between June 21, 1942, and March 31, 1943.

27. U.S. civilian flight crew and aviation ground support employ-

ees of Northwest Airlines who served overseas under the airline's contract with Air Transport Command from Dec. 14, 1941, through Aug. 14, 1945.

28. U.S. civilian female employees of the U.S. Army Nurse Corps who served in the defense of Bataan and Corregidor during the period Jan. 2, 1942, to Feb. 3, 1945.

29. U.S. flight crew and aviation ground support employees of Northeast Airlines Atlantic Division, who served overseas as a result of Northeast Airlines' contract with the Air Transport Command during the period Dec. 7, 1941, through Aug. 14, 1945.

30. U.S. civilian flight crew and aviation ground support employees of Braniff Airways, who served overseas in the North Atlantic or under the jurisdiction of the North Atlantic Wing, Air Transport Command, as a result of a contract with the Air Transport Command during the period Feb. 26, 1942, through Aug. 14, 1945.

Selected Reserve and National Guard: Current and former members of the Selected Reserve who served on active duty establish veteran status and may therefore be eligible for VA benefits, depending on the length of active military service and the character of discharge or release. In addition, reservists not activated may qualify for some VA benefits. Members of the National Guard activated for federal service during a period of war or domestic emergency may be eligible for certain VA benefits, such as VA health care, compensation for injuries or conditions connected to that service and burial benefits. Activation for other than federal service does not qualify guard members for all VA benefits. Claims for VA benefits based on federal service filed by members of the National Guard should include a copy of the military orders, presidential proclamation or executive order that clearly demonstrates the federal nature of the service.

Filipino Veterans: World War II era Filipino veterans are eligible for certain VA benefits. Generally, Old Philippine Scouts are eligible for VA benefits in the same manner as U.S. veterans. Certain Commonwealth Army veterans and new Philippine Scouts may be eligible for disability compensation, hospital or nursing-home care, medical services and burial benefits. Other veterans of recognized guerrilla groups also might be eligible for certain VA benefits. Survivors of World War II era Filipino veterans may be eligible for dependency and indemnity compensation. Eligibility for some VA benefits and the rates of monetary benefits may vary based on the recipient's citizenship and place of residence.

Important Documents: Those seeking a VA benefit for the first time must submit a copy of their service discharge form (DD-214, DD-215, or for WWII veterans, a WD form), which documents service dates and type of discharge, or give their full name, military service number, branch and dates of service.

The veteran's service discharge form should be kept in a safe location accessible to the veteran and next of kin or designated representative. The veteran's preference regarding burial in a national cemetery and use of a headstone provided by VA should be documented and kept with this information. The following documents will be needed for claims processing related to a veteran's death: (1) veteran's marriage certificate for claims of a surviving spouse or children; (2) veteran's death certificate if the veteran did not die in a VA health care facility; (3) children's birth certificates or adoption papers to determine children's benefits; (4) veteran's birth certificate to determine parents' benefits.

Privacy Act: The Privacy Act provides the right to access and request amendment of information collected and used by the federal government. For information, contact the Privacy Act officer at the facility where the information is maintained or visit the Privacy and Security section on VA's Home page (<http://www.va.gov>).

Información Para Veteranos De Habla Hispana y Sus Dependientes

La versión en español de este folleto se encuentra disponible en formato Adobe Acrobat a través de el link (<http://www.va.gov/opa/feature/index.htm>) en la página de la Oficina de Asuntos Públicos del Departamento de Asuntos de Veteranos (VA) en la red mundial del internet. Las oficinas del VA en áreas de gran concentración de veteranos y dependientes hispanos tienen disponibles consejeros bilingües que le pueden ayudar a aplicar para obtener beneficios. Puede encontrar una lista de las oficinas del VA en la parte de atrás de este folleto.

Health Care Benefits

Health Care Enrollment

For most veterans, entry into the VA health care system begins with applying for enrollment. Veterans do not have to be enrolled if they: (1) have a service-connected disability of 50 percent or more; (2) want care for a disability the military determined was incurred or aggravated in the line of duty, but which VA has not yet rated, during the 12-month period following discharge; or (3) want care for a service-connected disability only. To permit better planning of health resources, however, these veterans also are urged to enroll.

To apply, veterans must complete VA Form 10-10EZ, Application for Health Benefits. The form may be obtained from any VA health care facility or regional benefits office, or by calling the VA Health Benefits Service Center toll-free at 1-877-222-VETS (8387). It is also available through the World Wide Web (<http://www.va.gov/1010ez.htm>). Veterans may complete the form in person at a VA health care facility, or at home and mail it to a local VA health care facility for processing. Once enrolled, a veteran is eligible to receive services at VA facilities anywhere in the country. Additional information can be found on the VA Web site (<http://www.va.gov/elig/>).

Priority Groups

Veterans will be enrolled to the extent Congressional appropriations allow. If appropriations are limited, enrollment will occur based on the following priorities:

Priority Group 1: Veterans with service-connected disabilities rated 50 percent or more.

Priority Group 2: Veterans with service-connected disabilities rated 30 or 40 percent.

Priority Group 3: Veterans who are former POWs or were awarded a Purple Heart, veterans with disabilities rated 10 and 20 percent, and veterans awarded special eligibility for disabilities incurred in treatment.

Priority Group 4: Veterans receiving aid and attendance or house-bound benefits and veterans determined by VA to be catastrophically disabled, although some may be responsible for copayments.

Priority Group 5: Veterans who are determined to be unable to defray the expenses of needed care.

Priority Group 6: All other eligible veterans not required to make copayments. This includes veterans of the Mexican border period or World War I; veterans seeking care solely for certain conditions associated with exposure to radiation, for any illness associated with combat service in a war after the Gulf War or during a period of hostility after Nov. 11, 1998, for any illness associated with participation in tests conducted by the Defense Department as part of Project 112/Project SHAD; and veterans with zero percent service-connected disabilities who are nevertheless compensated, including veterans receiving compensation for inactive tuberculosis.

Priority Group 7: Nonservice-connected veterans and noncompensable zero percent service-connected veterans with income above VA's national means test threshold and below VA's geographic means test threshold for the fiscal year ending on September 30 of the previous calendar year, or with income below both the VA national threshold and the VA geographically based threshold, but whose net worth exceeds VA's ceiling (currently \$80,000) who agree to pay copayments.

Priority Group 8: All other nonservice-connected veterans and zero percent noncompensable service-connected veterans who agree to pay copayments. (Note: Effective Jan. 17, 2003, VA no longer enrolls new veterans in priority group 8).

These groups are enrollment priorities only. VA services and treatment available to enrolled veterans generally are not based on priority groups. Enrollment will be reviewed each year and veterans will be notified in writing of any change in their enrollment status. Call the nearest VA health care facility or the Health Benefits Service Center, 1-877-222-8387, to obtain the latest information.

Special Access to Care

Service Disabled Veterans: Veterans with service-connected disabilities rated 50 percent or more based on one or more disabilities or unemployability and veterans receiving care for a service-connected disability receive priority in the scheduling of appointments for outpatient medical services and admissions for inpatient hospital care.

Operation Iraqi Freedom/Enduring Freedom Veterans: VA provides two years of free health care for veterans who served in certain combat locations during active military service, beginning on the date of separation from active duty. This benefit covers all illnesses and injuries except those clearly unrelated to active military service. For information call 1-877-222-8387.

Financial Information

Financial Assessment

Veterans who want to enroll in priority group 5 based on their inability to defray the cost of care must provide information on their annual income and net worth to determine whether they are below the annually adjusted "means test" financial threshold.

A financial assessment covers household income plus net worth and includes Social Security, U.S. Civil Service retirement, U.S. Railroad retirement, military retirement, unemployment insurance, any other retirement income, total wages from all employers, interest and dividends, workers' compensation, black lung benefits and any other gross income for the calendar year prior to application for care. Also considered are assets such as the market value of stocks, bonds, notes, individual retirement accounts, bank deposits, savings accounts and cash.

VA also is required to compare veterans' financial assessment information with a geographically based income threshold. If the veteran's income is below the threshold where the veteran lives, he or she is eligible for an 80 percent reduction in the inpatient copayment rates. VA may compare income information provided by the veteran with information obtained from the Social Security Administration and the Internal Revenue Service.

Services Requiring Copayments

Nonservice-connected veterans and noncompensable zero percent service-connected veterans whose income is above the national "means test" threshold must agree to pay appropriate copayments for care. If they do not agree to make copayments, they will be ineligible for VA care. Veterans whose income is determined to be above the means test threshold and below VA's geographically based income threshold are responsible for paying 20 percent of the Medicare deductible for the first 90 days of inpatient hospital care during any 365-day period. For each additional 90 days of hospital care, they are charged 10 percent of the Medicare deductible. In addition, the patient is charged \$2 a day for hospital care. Nonservice-connected veterans and noncompensable zero percent service-connected veterans with incomes above the geographic income threshold will be charged the full Medicare deductible for the first 90 days of care during any 365-day period. For each additional 90 days, they are charged one half of the Medicare deductible and \$10 per day.

With certain exceptions, a veteran must agree to pay copayments for extended care. A veteran's application for extended care services (VAF 10-10EC) requires financial information used to determine the monthly copayment amount, based on each veteran's financial situation. For outpatient medical care, a three-tiered copayment system is effective for all outpatient services. The copayment is \$15 for a primary care visit and \$50 for some specialized care. Certain services do not require a copayment.

Outpatient Visits Not Requiring Copayments

Outpatient visits for which no copayment will be assessed include: publicly announced VA health initiatives (e.g., health fairs) or an outpatient visit solely consisting of preventive screening and/or immunizations, such as influenza immunization, pneumococcal immunization, hypertension screening, hepatitis C screening, tobacco screening, alcohol screening, hyperlipidemia screening, breast cancer screening, cervical cancer screening, screening for colorectal cancer by fecal occult blood testing, and education about the risks and benefits of prostate cancer screening. Laboratory, flat film radiology services, and electrocardiograms are also exempt from copayments.

Billing Insurance Companies

VA is authorized to recover reasonable charges for medical care and services provided to nonservice-connected veterans and to service-connected veterans for nonservice-connected medical conditions. Money collected in this way is used to maintain and improve VA's health care system for veterans. Generally, VA cannot bill Medicare for medical services provided to veterans; however, VA can bill Medicare supplemental health insurance for medical care and services that are covered by the supplemental insurance but not covered by Medicare. All veterans applying for VA medical care will be asked to provide information on their health insurance coverage, including coverage provided under policies of their spouses. Although veterans are not responsible for paying any remaining balance of VA's insurance claim that is not paid or covered by their health insurance, veterans whose income is above the applicable "means test" threshold are responsible for the VA copayments required by federal law.

Health Care Programs

Registry Programs

VA maintains databases called registries to help analyze health conditions reported by veterans.

Gulf War and Depleted Uranium Registries: are for veterans who served in the Gulf War (Aug. 2, 1990 to a date not yet established, including Operation Iraqi Freedom).

Agent Orange Registry: is for veterans possibly exposed to dioxin or other toxic substances in herbicides used during the Vietnam War (between 1962 and 1975), while serving in Korea between 1968 and 1969, or as a result of testing, transporting, or spraying herbicides for military purposes.

Ionizing Radiation Registry: is for veterans possibly exposed to atomic radiation during the following activities: participation in tests involving the atmospheric detonation of a nuclear device; occupation of Hiroshima or Nagasaki from Aug. 6, 1945, through July 1, 1946; internment as a prisoner of war in Japan during World War II; serving in official military duties at the Department of Energy gaseous diffusion plants at Paducah, Ky.; Portsmouth, Ohio; or the K-25 area at Oak Ridge, Tenn., for at least 250 days before Feb. 1, 1992, or in

Longshot, Milrow or Cannikin underground nuclear tests at Amchitka Island, Alaska, before Jan. 1, 1974; or treatment with nasopharyngeal (NP) radium during active military service.

Veterans eligible for participation in any VA registry may receive free, comprehensive registry medical examinations, including laboratory and other diagnostic tests deemed necessary by an examining clinician. Eligible veterans do not have to be enrolled in VA health care to participate in registry examinations. Veterans wishing to participate should contact the nearest VA health care facility or visit the Internet (<http://www.va.gov/enviroagents/>).

Readjustment Counseling Service

Readjustment counseling is provided at 206 community-based Vet Centers located in all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands, and is designed to help combat veterans in their readjustment to civilian life. Vet Center staff provide group, individual and family counseling plus a wide range of other services to include medical referral, homeless veteran services, employment services, VA benefit referral, and the brokering of non-VA services.

Eligible veterans include those who served on active duty in a combat theater during World War II, the Korean War, the Vietnam War, the Gulf War, or the campaigns in Lebanon, Grenada, Panama, Somalia, Bosnia, Kosovo, Afghanistan, Iraq and the global War on Terror. Veterans who served in the active military during the Vietnam Era, but not in the Republic of Vietnam, are also eligible, provided they requested services at a Vet Center before Jan. 1, 2004. Vet Centers also provide bereavement counseling to the families of military personnel killed in action and sexual trauma counseling to veterans who suffered sexual trauma while on active duty.

Readjustment difficulties can include post-traumatic stress disorder (PTSD) or any other problems that affect functioning within the family, work, school or other areas of everyday life. For additional information, contact the nearest Vet Center, listed in the federal government section of telephone directories, or visit the Internet at (<http://www.va.gov/racs>).

Prosthetic and Sensory Aid Services

VA will furnish needed prosthetic appliances, equipment and devices, such as artificial limbs, orthopedic braces and shoes, wheelchairs,

crutches and canes, to veterans receiving VA care for any condition. VA will provide hearing aids and eyeglasses to veterans who receive increased pension based on the need for regular aid and attendance or being permanently housebound, receive compensation for a service-connected disability or are former prisoners of war. Otherwise, hearing aids and eyeglasses will be provided only in special circumstances, and not for normally occurring hearing or vision loss. For additional information, contact the prosthetic representative at your local VA health care facility.

Services and Aids for Blind Veterans

Blind veterans may be eligible for services at a VA medical center or for admission to a VA blind rehabilitation center. Services are available at all VA medical facilities through the Visual Impairment Services coordinator. In addition, blind veterans enrolled in the VA health care system may receive VA aids for the blind, including:

1. A total health and benefits review by a VA Visual Impairment Services team.
2. Adjustment to blindness training.
3. Home improvements and structural alterations to homes.
4. Specially adapted housing and adaptations.
5. Automobile grant.
6. Low-vision aids and training in their use.
7. Electronic and mechanical aids for the blind, including adaptive computers and computer-assisted devices such as reading machines and electronic travel aids.
8. Guide dogs, including the expense of training the veteran to use the dog.
9. Talking books, tapes and Braille literature.

Home Improvements and Structural Alterations

The Home Improvements and Structural Alterations program provides funding for eligible veterans to make home improvements necessary for the continuation of treatment or for disability access to the home and essential lavatory and sanitary facilities. Home improvement benefits up to \$4,100 for service-connected veterans and up to \$1,200 for nonservice-connected veterans may be provided. For application information, contact the prosthetic representative at the nearest VA medical center or outpatient clinic.

Alcohol and Drug-Dependence Treatment

Veterans eligible for VA medical care may apply for substance abuse treatment. Contact the nearest VA medical facility to apply.

Compensated Work Therapy

VA's Mental Health Psychosocial Rehabilitation Programs provide therapeutic work opportunities for eligible veterans through Incentive Therapy, Vocational Assistance, Transitional Residence, and Compensated Work Therapy programs. Each program offers rehabilitative treatment to help veterans live and work in their communities. Incentive Therapy is a token base payment program frequently used as a precursor to Compensated Work Therapy (CWT) or as a mainstay for veterans with serious mental illness. Veterans referred to CWT receive an individualized vocational assessment, rehabilitation planning and work experience. Vocational assistance services are designed to help veterans achieve a maximum degree of self-sufficiency based on their needs, preferences and abilities. The CWT program works closely with community-based organizations, employers and state and federal agencies for direct job placement and supportive follow-up services.

The CWT/Transitional Residence program provides work-based, residential treatment in a stable living environment. This program differs from other VA residential bed programs in that participants contribute (using their CWT earnings) to the cost of operating and maintaining their residences and are responsible for planning, purchasing and preparing their own meals. The program offers a comprehensive array of rehabilitation services including home, financial and life skills management in a therapeutic community model.

Outpatient Dental Treatment

Outpatient dental treatment provided by VA includes examinations and the full spectrum of diagnostic, surgical, restorative and preventive procedures. Veterans eligible to receive dental care include the following: (1) veterans having service-connected and compensable dental disabilities or conditions; (2) former prisoners of war; (3) veterans with service-connected, noncompensable dental conditions as a result of combat wounds or service injuries; (4) veterans with nonservice-connected dental conditions determined by VA to be aggravating a service-connected medical problem; (5) veterans having service-connected conditions rated as permanently and

totally disabling or rated 100 percent by reason of individual unemployment; (6) veterans participating in a vocational rehabilitation program under chapter 31 of title 38; (7) certain enrolled homeless veterans participating in specific health care programs; (8) veterans with nonservice-connected dental conditions for which treatment was begun while the veteran was an inpatient in a VA facility when it is necessary to complete such treatment on an outpatient basis; and (9) veterans requiring treatment for dental conditions clinically determined to be complicating a medical condition currently under treatment.

Veterans may receive one-time dental treatment for service-connected and noncompensable dental disabilities if the following conditions are met: the dental condition can be shown to have existed at time of discharge; the veteran served on active military duty for at least 180 days, or 90 days during the Gulf War Era; the veteran applied to VA for dental care within 90 days of discharge or release from active duty, and the certificate of discharge does not include certification that all appropriate dental treatment had been rendered prior to discharge.

Outpatient Pharmacy Services

Outpatient pharmacy services are provided free to: (1) veterans with a service-connected disability of 50 percent or more; (2) veterans receiving medication for treatment of service-connected conditions; (3) veterans whose annual income does not exceed the maximum VA annual rate of the VA pension; (4) veterans receiving medication for conditions related to exposure to ionizing radiation; (5) veterans receiving medication for conditions related to combat service in a war after the Gulf War or against a hostile force in a period of hostilities beginning after Nov. 11, 1998; (6) veterans receiving medication for conditions related to participation in Defense Department tests conducted as part of Project 112/Project SHAD; (7) veterans receiving medication for conditions related to sexual trauma experienced while serving on active duty; (8) certain veterans receiving medication for treatment of cancer of the head or neck; and (9) veterans receiving medication as part of a VA-approved research project. Other veterans will be charged a copayment of \$7 for each 30-day or less supply of medication. To eliminate a financial hardship for veterans who require an unusually large amount of medications, there is a maximum copayment amount that veterans enrolled in Priority Groups 2 through 6 pay in any single year. Veterans do not pay copayments for medications dispensed during the remainder of

a calendar year in which this annual cap amount has been paid. For calendar year 2004, the cap is \$840.

The medication copayment applies to prescription and over-the-counter medications, such as aspirin, cough syrup or vitamins, dispensed by a VA pharmacy. Medication copayments are not charged for medications injected during the course of treatment or for medical supplies, such as syringes or alcohol wipes. In the event over-the-counter drugs are ordered, the veteran can choose to purchase them at a local pharmacy rather than pay \$7 for items such as aspirin, cough syrup or vitamins.

Nursing-Home Care

VA provides nursing home services through three national programs: VA owned and operated nursing homes, state veterans homes owned and operated by the state, and contract community nursing homes. Each program has its own admission and eligibility criteria.

VA owned and operated homes typically admit residents requiring short-term skilled care, or who have a 70 percent or more service-connected disability, or who require nursing home care because of a service-connected disability. The state veterans home program is a cooperative venture between VA and the states whereby VA provides funds to help build the home and pays a portion of the costs for veterans eligible for VA health care. The states, however, set eligibility criteria for admission. The contract nursing home program is designed to meet the long-term nursing home care needs of veterans who may not be eligible and/or qualify for placement in a VA or state veterans home or if there is no VA or state home available.

To be placed in a nursing home, veterans generally must be medically stable, have a condition that requires inpatient nursing home care, and be assessed by an appropriate medical provider to be in need of institutional nursing home care. They also must meet the eligibility requirements for the home to which they are applying. For VA nursing homes, they may have to pay a copayment depending on their financial status. VA social workers can help interpret eligibility and co-payment requirements.

In addition to nursing home care, VA offers other extended care services either directly or by contract with community agencies, including adult day care, respite care, geriatric evaluation and management, hospice and palliative care, and home based primary care. These services may require copayment.

Domiciliary Care

Domiciliary care provides rehabilitative and long-term, health-maintenance care for veterans who require minimal medical care but do not need the skilled nursing services provided in nursing homes. VA may provide domiciliary care to veterans whose annual income does not exceed the maximum annual rate of VA pension or to veterans the Secretary of Veterans Affairs determines have no adequate means of support. The copayments for extended care services apply to domiciliary care. Call your nearest benefits or health care facility for information.

Medical Care for Dependents and Survivors

CHAMPVA, the Civilian Health and Medical Program of the Department of Veterans Affairs, provides reimbursement for most medical expenses – inpatient, outpatient, mental health, prescription medication, skilled nursing care and durable medical equipment. To be eligible for CHAMPVA, an individual cannot be eligible for TRICARE (the medical program for civilian dependents provided by the Department of Defense) and must be one of the following:

1. The spouse or child of a veteran who VA has rated permanently and totally disabled for a service-connected disability.
2. The surviving spouse or child of a veteran who died from a VA-rated service-connected disability, or who, at the time of death, was rated permanently and totally disabled.
3. The surviving spouse or child of a military member who died in the line of duty, not due to misconduct. However, in most of these cases, these family members are eligible for TRICARE, not CHAMPVA.

A surviving spouse under age 55 who remarries loses CHAMPVA eligibility on midnight of the date of remarriage. However eligibility may be re-established if the remarriage is terminated by death, divorce or annulment effective the first day of the month after the termination of the remarriage or Dec. 1, 1999, whichever date is later. A CHAMPVA eligible surviving spouse who is 55 or older does not lose eligibility upon remarriage.

Individuals who have Medicare entitlement may also have CHAMPVA eligibility secondary to Medicare. However eligibility limitations apply to those with Medicare Part A only. The following individuals must be enrolled in Medicare Part B to establish CHAMPVA eligibility: (1) under age 65 and entitled to Medicare

Part A; (2) 65 or older when first eligible for CHAMPVA and entitled to Medicare Part A; (3) 65 or older prior to June 5, 2001, who are otherwise entitled to CHAMPVA and have Medicare Part A and B; (4) 65 or older on or after June 5, 2001, who are entitled to Medicare Part A.

For additional information or to apply for CHAMPVA benefits, visit the CHAMPVA Web site (<http://www.va.gov/hac/>), call 1-800-733-8387 or contact the VA Health Administration Center, P.O. Box 65023, Denver, CO 80206.

Many VA medical centers provide services to CHAMPVA beneficiaries under the CHAMPVA In House Treatment Initiative (CITI) program. Contact the nearest VA medical center to determine if it is a participating facility. Beneficiaries who use a CITI facility incur no cost for services they receive, however services are provided on a space available basis, after the needs of veterans are met. Therefore, not all services are available at all times, nor are the same services available every day. CHAMPVA beneficiaries with Medicare entitlement are not eligible to participate in the CITI program.

Beneficiary Travel

Certain veterans may be eligible for payment or reimbursement for travel costs to receive VA medical care. Reimbursement is paid at \$.11 per mile and is subject to a deductible of \$3 for each one-way trip and an \$18-per-month maximum payment. Two exceptions to the deductible are travel for a compensation or pension examination and travel by special modes of transportation, such as an ambulance or a specially equipped van. Beneficiary travel payments may be made to the following: (1) veterans whose service-connected disabilities are rated at 30 percent or more; (2) veterans traveling for treatment of a service-connected condition; (3) veterans who receive a VA pension; (4) veterans traveling for scheduled compensation or pension examinations; (5) veterans whose income does not exceed the maximum annual VA pension rate; and (6) veterans whose medical condition requires special mode of transportation, if the veteran is unable to defray the costs and travel is pre-authorized. Advance authorization is not required in a medical emergency if a delay would be hazardous to life or health.

Emergency Medical Care in Non-VA Facilities

VA may provide reimbursement or payment for medical care provided to enrolled veterans by non-VA facilities only in cases of

medical emergencies where VA or other federal facilities were not feasibly available. Other conditions also apply. To determine eligibility or to initiate a claim, contact the VA medical facility nearest to where the emergency service was provided.

Veterans Living or Traveling Overseas

VA will pay veterans living or traveling overseas for medical care associated with a service-connected condition. See the Overseas Benefits section for more information.

Merchant Marine Seamen

Merchant Marine seamen who served in World War II may qualify for veterans benefits. When applying for medical care, seamen must present their discharge certificate from the Department of Defense to the VA medical facility. VA regional offices can assist in obtaining a certificate.

Allied Veterans

VA is authorized to provide medical care to certain veterans of nations allied or associated with the United States during World War I or World War II. Such treatment is available at any VA medical facility if authorized and reimbursed by the foreign government. VA also is authorized to provide hospitalization, outpatient and domiciliary care to former members of the armed forces of Czechoslovakia or Poland who participated during World Wars I or II in armed conflict against an enemy of the United States, if they have been citizens of the United States for at least 10 years.

Benefit Programs

Disability Compensation

Disability compensation is a monetary benefit paid to veterans who are disabled by injury or disease incurred or aggravated during active military service. The service of the veteran must have been terminated through separation or discharge under conditions that were other than dishonorable. Disability compensation varies with the degree of disability and the number of dependents, and is paid monthly. The benefits are not subject to federal or state income tax. The payment of military retirement pay, disability severance pay and separation incentive payments known as SSB and VSI (Special Separation Benefits and Voluntary Separation Incentives) also affects the amount of VA compensation paid. See the "Tables" section of this booklet for more information.

Receiving Benefit Payments

VA offers three methods for receiving benefit payments. Most veterans and beneficiaries receive their payments by direct deposit through an electronic funds transfer to their bank, savings and loan or credit union accounts. In some areas, benefit recipients who do not have an account at a financial institution may open a federally insured Electronic Transfer Account, which costs about \$3 a month, provides a monthly statement and allows cash withdrawals. Recipients may also choose to receive benefits by check. To choose a payment method, call toll-free 1-877-838-2778, Monday through Friday, 7:30 a.m. - 4:00 p.m., Central Standard Time.

Prisoners of War

Former prisoners of war (POW) are eligible for disability compensation if they are rated at least 10 percent disabled from conditions presumed to be related to the POW experience. The following presumptive conditions apply to former POWs who were imprisoned for any length of time: psychosis, any of the anxiety states, dysthymic disorder, organic residuals of frostbite, and post-traumatic osteoarthritis.

Former POWs who were imprisoned for at least 30 days are also eligible for the following additional presumptive conditions: avitaminosis, beriberi (including beriberi heart disease), chronic dysentery,

helminthiasis, malnutrition (including optic atrophy), pellagra and/or other nutritional deficiencies, irritable bowel syndrome, peptic ulcer disease, peripheral neuropathy and cirrhosis of the liver.

Agent Orange and Other Herbicides

Eleven diseases are presumed by VA to be service-related for compensation purposes for veterans exposed to Agent Orange and other herbicides used in support of military operations in the Republic of Vietnam between Jan. 9, 1962, and May 7, 1975. The diseases presumed are chloracne or other acneform disease similar to chloracne, porphyria cutanea tarda, soft-tissue sarcoma (other than osteosarcoma, chondrosarcoma, Kaposi's sarcoma or mesothelioma), Hodgkin's disease, multiple myeloma, respiratory cancers (lung, bronchus, larynx, trachea), non-Hodgkin's lymphoma, prostate cancer, acute and subacute peripheral neuropathy, diabetes mellitus (Type 2) and chronic lymphocytic leukemia.

Veterans Exposed to Radiation

Veterans exposed to ionizing radiation while on active duty may be eligible for disability compensation if they have disabilities related to that exposure. Conditions presumed to be service-connected for veterans who participated in "radiation-risk activities" as defined by VA regulations are all forms of leukemia (except for chronic lymphocytic leukemia); cancer of the thyroid, breast, pharynx, esophagus, stomach, small intestine, pancreas, bile ducts, gall bladder, salivary gland, urinary tract (renal pelvis, ureter, urinary bladder, and urethra), brain, bone, lung, colon, and ovary, bronchiolo-alveolar carcinoma, multiple myeloma, lymphomas (other than Hodgkin's disease), and primary liver cancer, (except if cirrhosis or hepatitis B is indicated). To determine service-connection for other conditions or exposures not eligible for presumptive compensation, factors considered include amount of radiation exposure, duration of exposure, elapsed time between exposure and onset of the disease, gender and family history, age at time of exposure, the extent to which a nonservice-related exposure could contribute to disease, and the relative sensitivity of exposed tissue.

Gulf War Veterans

Gulf War veterans who suffer from chronic disabilities resulting from undiagnosed illnesses, medically unexplained chronic multi-symptom illnesses (such as chronic fatigue syndrome, fibromyalgia, or irritable bowel syndrome) that are defined by a cluster of signs or symptoms, and any diagnosed illness that the Secretary of Veterans Affairs

determines warrants a presumption of service-connection may receive disability compensation. The undiagnosed illnesses must have appeared either during active duty in the Southwest Asia Theater of Operations during the Gulf War or to a degree of at least 10 percent at any time since then through Dec. 31, 2006.

The following symptoms are among the manifestations of an undiagnosed illness: fatigue, skin disorders, headache, muscle pain, joint pain, neurologic symptoms, neuropsychological symptoms, symptoms involving the respiratory system, sleep disturbances, gastrointestinal symptoms, cardiovascular symptoms, abnormal weight loss and menstrual disorders. A disability is considered chronic if it has existed for at least six months.

Amiotrophic Lateral Sclerosis (ALS) may also be service-connected if the veteran served in the Southwest Asia Theater of Operations.

Specially Adapted Homes

Disabled veterans may be entitled to a grant from VA for a home specially adapted to their needs or for adaptations to a house.

\$50,000 Grant: VA may approve a grant of not more than 50 percent of the cost of building, buying or remodeling adapted homes or paying indebtedness on those homes already acquired, up to a maximum of \$50,000. Veterans must be entitled to compensation for permanent and total service-connected disability due to one of the following:

1. Loss or loss of use of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes or a wheelchair.
2. Blindness in both eyes, having only light perception, plus loss or loss of use of one lower extremity.
3. Loss or loss of use of one lower extremity together with (a) residuals of organic disease or injury, or (b) the loss or loss of use of one upper extremity which so affects the functions of balance or propulsion as to preclude locomotion without the use of braces, canes, crutches or a wheelchair.

\$10,000 Grant: VA may approve a grant for the actual cost, up to a maximum of \$10,000, for adaptations to a veteran's residence that are determined by VA to be reasonably necessary. The grant also may be used to help veterans acquire a residence that already has adaptations for the veteran's disability.

Veterans must be entitled to compensation for permanent and total service-connected disability due to (1) blindness in both eyes with 5/200 visual acuity or less, or (2) anatomical loss or loss of use of both hands.

Supplemental Financing: Veterans with available loan guaranty entitlement may also obtain a guaranteed loan or a direct loan from VA to supplement the grant to acquire a specially adapted home.

Automobile Assistance

Veterans and servicemembers qualify for this benefit if they have service-connected loss or permanent loss of use of one or both hands or feet, or permanent impairment of vision of both eyes to a certain degree. Veterans entitled to compensation for ankylosis (immobility) of one or both knees, or one or both hips, also qualify for adaptive equipment for an automobile. There is a one-time payment by VA of not more than \$11,000 toward the purchase of an automobile or other conveyance. VA pays for adaptive equipment, and for repair, replacement, or reinstallation required because of disability, and for the safe operation of a vehicle purchased with VA assistance. To apply, contact a VA regional office (1-800-827-1000) or medical center.

Clothing Allowance

Any veteran who is entitled to receive compensation for a service-connected disability for which he or she uses prosthetic or orthopedic appliances may receive an annual clothing allowance. The allowance also is available to any veteran whose service-connected skin condition requires prescribed medication that irreparably damages the veteran's outer garments. Veterans with qualifying service-connected disabilities can apply for a clothing allowance by contacting the Prosthetic and Sensory Aid Service at your local VA health care facility.

Allowances for Dependents

Veterans whose service-connected disabilities are rated at 30 percent or more are entitled to additional allowances for dependents. The additional amount is determined by the number of dependents and the degree of disability. A disabled veteran evaluated 30 percent or more is entitled to receive a special allowance for a spouse who is in need of the aid and attendance of another person.

Aid and Attendance or Housebound

A veteran who is determined by VA to be in need of the regular aid and attendance of another person, or a veteran who is permanently housebound, may be entitled to additional disability compensation or pension benefits.

Incarcerated Veterans

VA disability compensation and pension benefits are restricted if a veteran, surviving spouse, child or dependent parent is convicted of a felony and imprisoned for more than 60 days. The disability compensation paid to an incarcerated veteran is limited to the 10 percent disability rate. For a surviving spouse, child, dependent parent or veteran whose disability rating is 10 percent, the payment is at the 5 percent rate. Any amounts not paid may be apportioned to eligible dependents. Payments are not reduced for recipients participating in work-release programs, residing in halfway houses or under community control. Overpayments for failure to notify VA of a veteran's incarceration result in the loss of all financial benefits until the overpayment is recovered.

Fugitive Felons

VA disability compensation and pension benefits may not be paid to any veteran named on an outstanding felony warrant, or their dependents, until the veteran has surrendered to authorities or the warrant is cleared.

Pension

Veterans with low incomes who are permanently and totally disabled, or are age 65 and older, may be eligible for monetary support if they have 90 days or more of active military service, at least one day of which was during a period of war. Generally, veterans who entered active duty on or after Sept. 8, 1980, or officers who entered active duty on or after Oct. 16, 1981, may have to meet a longer minimum period of active duty. The discharge from active duty must have been under conditions other than dishonorable. The permanent and total disability must be for reasons other than the veteran's own willful misconduct. Payments are made to qualified veterans to bring their total income, including other retirement or Social Security income, to a level set by Congress. Unreimbursed medical expenses may reduce countable income. Veterans of a period of war who are age 65 or older and meet service and income requirements are also eligible to receive a pension, regardless of current physical condition.

Improved Pension

The Improved Pension program provides for the maximum annual rates listed in the "Tables" section of this booklet. The payment is reduced by the amount of the countable income of the veteran and the income of the spouse or dependent children. When a veteran without a spouse or a child is furnished nursing-home or domiciliary care by VA, the pension is reduced to an amount not to exceed \$90 per month after three calendar months of care. The reduction may be delayed if nursing-home care is being continued for the primary purpose of providing the veteran with rehabilitation services.

Protected Pension Programs

Pensioners entitled to benefits as of Dec. 31, 1978, who do not elect to receive a pension under the Improved Pension program, continue to receive pension benefits at the rate they were entitled to receive on Dec. 31, 1978, as long as they remain permanently and totally disabled, do not lose a dependent, a dependent pensioner retains surviving spouse or child status, net worth limitations are not exceeded, and their incomes do not exceed the income limitation, adjusted annually.

Medal of Honor Pension

VA administers pensions to holders of the Medal of Honor. Congress set the monthly pension at \$1000, effective Sept. 1, 2003.

Vocational Rehabilitation and Employment

Vocational Rehabilitation and Employment is an employment-oriented program that helps veterans with service-connected disabilities prepare for, find and keep suitable employment. Suitable employment is work that is within the veterans' physical, mental and emotional capabilities and matches their patterns of skills, talents and interests. For veterans whose disabilities make employment unlikely, VA helps them attain as much independence in daily living as possible. Additional information is available on the Internet at (<http://www.vba.va.gov>).

Eligibility

A veteran must have a VA established service-connected disability rated 10 percent disabling with a serious employment handicap or at least 20 percent with an employment handicap and be discharged or

released from military service under other than dishonorable conditions. A servicemember pending medical separation from active duty may apply, but the disability rating must be at least 20 percent.

Services

Depending on an individual's needs, services provided by VA may include:

1. An evaluation of the individual's talents, skills and interests.
2. Assistance getting and keeping suitable employment.
3. Vocational counseling and planning.
4. Training, such as on-the-job and work experience programs.
5. Training, such as certificate, two, or four-year college or technical programs.
6. Supportive rehabilitation services and additional counseling.

VA pays the cost of these services and pays a living allowance to veterans who participate in training.

Entitlement

Eligible veterans are evaluated to determine if they need vocational rehabilitation services to help overcome barriers to employment.

Period of a Rehabilitation Program

Generally, veterans must complete a vocational rehabilitation program within 12 years from their separation from military service or within 12 years from the date VA notifies them that they have a compensable service-connected disability. Depending on the length of program needed, veterans may be provided up to 48 months of full-time services or their part-time equivalent. These limitations may be extended in certain circumstances.

Work-Study

Participants may be paid a work-study allowance if they train at the three-quarter or full-time rate. They may elect to be paid in advance a portion of the allowance equal to 40 percent of the total. Participants under the supervision of a VA employee may provide VA outreach services, prepare and process VA paperwork, and work at a VA medical facility or perform other VA-approved activities.

Program for Unemployable Veterans

Veterans awarded 100 percent disability compensation based upon unemployability may still request an evaluation. If they are found eligible, they may participate in a vocational rehabilitation program

and receive help in getting a job. A veteran who secures employment under the special program will continue to receive 100 percent disability compensation until the veteran has worked continuously for at least 12 months.

Children of Vietnam Veterans Born with Certain Birth Defects

Children of Vietnam veterans born with certain birth defects may be eligible for benefits under one of two separate programs—the Spina Bifida Program or the Children on Women Vietnam Veterans Program. Benefits under both programs include a monthly monetary allowance, health care specific to the disability, and vocational training if reasonably feasible. The law defines “child” as the natural child of a Vietnam veteran, regardless of age or marital status. The child must have been conceived after the date on which the veteran first entered the Republic of Vietnam. Qualifying service includes active military, naval or air service, including service in the waters offshore and other locations if the service involved duty or visitation in Vietnam.

Spina Bifida Program

This program applies to biological children of male and female veterans who served in Vietnam during the period beginning Jan. 9, 1962, and ending May 7, 1975, or who served in or near the Korean demilitarized zone (DMZ) during the period beginning Sept. 1, 1967, and ending Aug. 31, 1971. A monetary allowance is paid at three disability levels based on the neurological manifestations that define the severity of disability: impairment of the functioning of extremities, impairment of bowel or bladder function, and impairment of intellectual functioning.

Children of Women Vietnam Veterans Program

This program applies to biological children of women veterans who served in Vietnam during the period beginning on Feb. 28, 1961, and ending on May 7, 1975. The birth defects covered are those that are associated with a mother's service in Vietnam and that resulted in permanent physical or mental disability. The covered birth defects do not include conditions due to familial disorders, birth-related injuries, or fetal or neonatal infirmities with well-established causes. A monetary allowance is paid at four disability levels based on the child's degree of permanent disability.

Allowances

The 2004 monthly rates for both programs can be found in the “Tables” section of this booklet. Contact a VA regional office to apply for medical treatment or benefits payments. Note: a monetary allowance paid to an individual under these programs shall not be considered as income or resources in determining eligibility for, or the amount of benefits paid under, any other federal or federally assisted program.

Vocational Training

The Vocational Rehabilitation and Employment program administers a vocational training program to enable a qualified child to prepare for and attain suitable employment. Services may include counseling and rehabilitative services, education, training and employment services leading to suitable employment. VA pays for the cost of these services.

Eligibility

To qualify for a vocational training program, an applicant must be a child:

1. To whom VA has awarded a monthly allowance for spina bifida, or to whom VA has established the existence of another covered birth defect, and
2. For whom VA has determined that achievement of a vocational goal are reasonably feasible.

A vocational training program may not begin before a child's 18th birthday or the date the child completes secondary schooling, whichever comes first. Depending on need and eligibility for VA education benefits, a child may be provided up to 48 months of full-time training.

Education and Training

Education laws are complex. The following is only a summary. Additional information for school officials, veterans and dependents can be found at (<http://www.gibill.va.gov>), VA's Education Services Web page, or by calling 1-888-GI-BILL-1 (1-888-442-4551).

Montgomery GI Bill – Active Duty

Eligibility

The Montgomery GI Bill (MGIB) - Active Duty provides a program of education benefits that may be used while on active duty or after

separation from active duty. Veterans must receive a fully honorable military discharge for the period of service on which MGIB eligibility is based. Discharges "under honorable conditions" and "general" discharges do not establish eligibility. Veterans who do not receive a qualifying discharge from one period of service may qualify based on a discharge from another qualifying period of service.

All participants must have a high school diploma or equivalency certificate before applying for benefits. Completing 12 hours toward a college degree before applying for benefits also meets this requirement. Under previous law, veterans were required to meet the high school requirement before they completed initial active duty for training. Those who didn't may now meet the requirement and apply or reapply for benefits. If eligible, they must use their benefits within the following period: (1) 10 years from the date of last discharge from active duty, or (2) by Nov. 2, 2010, whichever is later.

Additionally, every veteran must establish eligibility under one of the following four categories.

Category 1 – Service After June 30, 1985

To be eligible under Category 1, veterans must: have entered active duty for the first time after June 30, 1985, and not have declined MGIB in writing upon entry onto active duty. The military reduces their pay \$100 a month for 12 months of active duty. These pay reductions are not refundable. Eligible servicemembers can use the MGIB benefit while on active duty after completing two continuous years of service. Veterans can use the MGIB benefit if they: completed three continuous years of active duty, or two continuous years of active duty if they first signed up for less than three years or have an obligation to serve four years in the Selected Reserve (the 2x4 program) and enter the Selected Reserve within one year of release from active duty.

Servicemembers or veterans are barred from eligibility under Category 1, however, if they received a commission as a result of graduation from a service academy or completion of an ROTC scholarship. However, such a commission isn't a bar if the applicant: (1) received a commission after becoming eligible for MGIB benefits (including completing the minimum service requirements for the initial period of active duty); or (2) received a commission after Sept. 30, 1996, and received less than \$3,400 during any one year under ROTC scholarship.

Under Category 1, applicants are also barred from benefits if they declined MGIB because they received repayment from the military for education loans. If they did not decline MGIB and received loan repayments, the months served to repay the loans will be deducted from MGIB entitlement. Individuals who received loan repayments for one period of active duty can still be eligible based on another qualifying period of active duty as long as they did not decline MGIB upon entering active duty.

Early Separation

Veterans who did not complete the required period of service may still be eligible under Category 1 if discharged for one of the following reasons: (1) convenience of the government—with 30 continuous months of service for an obligation of three or more years, or 20 continuous months of service for an obligation of less than three years; (2) service-connected disability; (3) hardship; (4) a medical condition diagnosed prior to joining the service; (5) a condition that interfered with performance of duty and didn't result from misconduct; (6) a reduction in force (in most cases). Servicemembers planning to separate early should ensure their separation reasons are coded properly to avoid disqualification for MGIB benefits.

Category 2 – Vietnam Era GI Bill Conversion

To be eligible under Category 2, veterans must have had remaining entitlement under the Vietnam Era GI Bill on Dec. 31, 1989. Additionally, they must have served on active duty for any number of days during the period Oct. 19, 1984, to June 30, 1985, and served on active duty for at least three continuous years beginning on July 1, 1985; or at least two continuous years active duty beginning on July 1, 1985, followed by a minimum of four years in the Selected Reserve beginning within one year of release from active duty.

Veterans not on active duty on Oct. 19, 1984, may be eligible under Category 2 if they served three continuous years on active duty at any time beginning on or after July 1, 1985, or two continuous years of active duty at any time followed by four continuous years in the Selected Reserve beginning within one year of release from active duty.

Veterans are barred from eligibility under Category 2 if they received a commission after Dec. 31, 1976, as a result of graduation from a service academy or completion of an ROTC scholarship.

However, such a commission does not bar eligibility if the veteran received the commission after becoming eligible for MGIB benefits, or received the commission after Sept. 30, 1996, and received less than \$3,400 during any one year under ROTC scholarship.

Category 3 – Involuntary Separation/Special Separation

Veterans may be eligible under Category 3 if they meet one of the following requirements: (1) elected MGIB before being involuntarily separated; or (2) were voluntarily separated under the Voluntary Separation Incentive or the Special Separation Benefit program, elected MGIB benefits before being separated, and had military pay reduced by \$1,200 before discharge.

Category 4 – Veterans Educational Assistance Program

Eligibility under Category 4 may be extended to veterans who participated in the Veterans Educational Assistance Program (VEAP) if they: (1) served on active duty on Oct. 9, 1996; (2) participated in VEAP and contributed money to a VEAP account; (3) elected MGIB by Oct. 9, 1997, and paid \$1,200. Veterans who participated in VEAP on or before Oct. 9, 1996, may also be eligible even if they did not deposit money in a VEAP account if they served on active duty from Oct. 9, 1996, through April 1, 2000, elected MGIB by Oct. 31, 2001, and contributed \$2,700 to MGIB.

Certain National Guard servicemembers may also qualify under Category 4 if they (1) served for the first time on full-time active duty in the National Guard under title 32, U.S.C., between June 30, 1985, and Nov. 29, 1989, and had no previous active duty service; (2) elected MGIB during the nine-month window ending on July 9, 1997; and (3) paid \$1,200.

Period of Eligibility

Eligibility generally expires 10 years after discharge or release from active duty. However, there are exceptions for disability, re-entering active duty, and for upgraded discharges.

Payments

For training in college, technical or vocational school, eligible veterans qualify to receive the following monthly rates for full-time training, effective Oct. 1, 2003: \$985 a month if they qualify for MGIB benefits based on active duty for three continuous years or more or active duty for two continuous years plus four years in the Selected Reserve, or \$800 a month if they qualify for MGIB benefits based on active duty of less than three years. Benefits are reduced for part-

time training. Payments for other types of training follow different rules. For complete rates, visit (<http://www.gibill.va.gov>).

VA will pay an additional amount, commonly called a "kicker" or the "college fund" if directed by the Department of Defense. Eligibility is based on occupational specialties and is generally established upon the servicemember's recruitment into active duty. Servicemembers potentially eligible under Category 1 (or originally eligible under Category 1 but subsequently eligible under Category 3 because of the reason for discharge) can make additional contributions up to \$600 before leaving active duty to receive a higher rate of benefits.

The maximum number of months veterans can receive MGIB benefits is 36 months at the full-time rate or the part time equivalent. The following groups qualify for the maximum: (1) eligible veterans who served the required length of active duty, (2) eligible veterans with an obligation of three years or more who were separated early for the convenience of the government and served 30 continuous months, (3) eligible veterans with an obligation of less than three years who were separated early for the convenience of the government and served 20 continuous months

Training Available

The following types of training are available under the Montgomery GI Bill: (1) courses at colleges and universities leading to associate, bachelor or graduate degrees, including accredited independent study, which may be offered through distance education; (2) courses leading to a certificate or diploma from business, technical or vocational schools; (3) apprenticeship or on-the-job training programs for individuals not on active duty, including self-employment training begun on or after June 16, 2004, necessary for ownership or operation of a franchise; (4) correspondence courses, under certain conditions; (5) flight training, if the veteran holds a private pilot's license upon beginning the training program and meets the medical requirements; (6) state-approved teacher certification programs; (7) preparatory courses necessary for admission to a college or graduate school; and (8) licensing and certification tests approved for veterans.

Additional MGIB Benefits

1. Accelerated payment of MGIB benefits is available to those enrolled in certain high-cost programs leading to employment in the technology industry.

2. Transfer of entitlement to dependents is currently provided by the U.S. Air Force in limited circumstances.
3. Tutorial assistance allowance is available for individual tutoring if training in school at one-half time or more. The maximum benefit is \$1,200 (\$100 per month).
4. Tuition Assistance Top-Up provides for payment to an individual for the difference between the tuition assistance amount paid by the military and the total cost of tuition and approved charges.

Work-Study

Veterans may be eligible for a work-study program in which they work for VA and receive hourly wages. Veterans must train at the three-quarter or full-time rate. The types of work allowed include: (1) outreach services for VA and State Approving Agencies; (2) VA paperwork; (3) work at national or state veterans' cemeteries; (4) work at VA medical centers or state veterans homes; and (5) other VA approved activities.

Counseling

VA counseling is available to help MGIB participants assess their educational and vocational strengths and weaknesses. Counseling is also available to help plan education or employment goals. Additionally, individuals not eligible for the MGIB may still receive VA counseling beginning 180 days prior to separation from active duty through the first full year following honorable discharge.

Montgomery GI Bill – Selected Reserve

Eligibility

The Montgomery GI Bill – Selected Reserve (Chapter 1606) provides education benefits to members of the reserve elements of the Army, Navy, Air Force, Marine Corps and Coast Guard, and to members of the Army National Guard and the Air National Guard. To be eligible for this program, a reservist must: (1) incur a six-year obligation to serve in the Selected Reserve signed after June 30, 1985, or, if an officer, agree to serve six years in addition to the original obligation; (2) complete Initial Active Duty for Training; (3) have a high school diploma or equivalency certificate before applying for benefits; and (4) remain in good standing in a Selected Reserve unit.

Reserve components determine eligibility for Chapter 1606. VA does not make decisions about eligibility and cannot make payments until the reserve component has determined eligibility and notified VA.

Period of Eligibility

If a reservist separates from the Selected Reserve, benefits generally end the day of separation. If an individual stays in the Selected Reserve, benefits generally end 14 years from the date the reservist became eligible for the program. For reservists who became eligible before Oct. 1, 1992, benefits generally end 10 years from the date they became eligible. Under special circumstances, eligibility may be extended.

Payments

The full-time rate is \$282 a month for 36 months for full-time training. Part-time benefits are reduced proportionately. For complete current rates, visit (<http://www.gibill.va.gov>). The Department of Defense may make additional contributions, or "kickers," on behalf of individuals in critical military fields, as deemed necessary to encourage enlistment.

Training Available

Eligible reservists may take undergraduate or technical training at colleges and universities. Those who have a six-year commitment beginning after Sept. 30, 1990, may also take the following training: graduate courses; courses for a certificate or diploma from business, technical or vocational schools; cooperative training; apprenticeship or on-the-job training; correspondence courses; independent study programs; flight training; or remedial, deficiency or refresher courses needed to complete a program of study.

Work-Study

Eligibility for the Work-Study program under the Selected Reserve Montgomery GI Bill is the same as the Active Duty GI Bill.

Tutorial Assistance

Benefits for tutorial assistance are the same as in the Active Duty Montgomery GI Bill.

Counseling

VA counseling is available to help Chapter 1606 participants assess their educational and vocational strengths and weaknesses, or to help plan educational or employment goals.

Veterans' Educational Assistance Program (VEAP)

Eligibility

Under VEAP, active duty personnel voluntarily participated in a plan for education or training in which their savings were administered and added to by the federal government. Servicemembers were eligible to enroll in VEAP if they entered active duty for the first time after Dec. 31, 1976, and before July 1, 1985. Some contribution to VEAP must have been made prior to April 1, 1987. The maximum participant contribution is \$2,700. While on active duty, participants may make a lump-sum contribution to their VEAP account.

Servicemembers who participated in VEAP are eligible to receive benefits while on active duty if: (1) at least three months of contributions are available, except for high school or elementary school, in which case only one month is needed; and (2) they enlisted for the first time after Sept. 7, 1980, and completed 24 months of their first period of active duty. Visit (<http://www.gibill.va.gov>) for length of service requirements for those who enlisted for the first time prior to Sept. 7, 1980.

To use benefits after separation from active duty, veterans must receive a discharge under conditions other than dishonorable for the qualifying period of service. Veterans who enlisted for the first time after Sept. 7, 1980, or entered active duty as an officer or enlistee after Oct. 16, 1981, must have completed 24 continuous months of active duty, unless they meet a qualifying exception.

Period of Eligibility

Eligibility generally expires 10 years from the date of last discharge or release from active duty. Under special circumstances, the 10-year period may be extended.

Payments

The Department of Defense will match the participant's contribution at the rate of \$2 for every \$1 the individual put into the fund. The Department of Defense may make additional contributions, or "kickers," on behalf of individuals in critical military fields, as deemed necessary to encourage enlistment. For training in college, vocational or technical schools, the amount of money participants receive each month depends on the type and hours of training pursued. The maximum basic rate is \$300 a month for full-time training.

Training Available

VEAP participants may pursue: associate, bachelor or graduate degrees at colleges or universities including accredited independent study, which may be offered through distant education; courses leading to a certificate or diploma from business, technical or vocational schools; apprenticeship or on-the-job training programs; cooperative courses which consist of a full-time program of alternating school instruction and training in business or industry; correspondence courses; flight training; tutorial assistance; refresher, remedial or deficiency course if needed to complete a program of study; refresher training to update skills for technological advances that occurred while the veteran was on active duty or after separation; and state-approved alternative teacher certification programs. VEAP participants may also receive benefits for approved licensing and certification tests.

Work-Study

Eligibility for the Work-Study program under VEAP is the same as under the Montgomery GI Bill.

Tutorial Assistance

Benefits for tutorial assistance are the same as under the Montgomery GI Bill.

Counseling

Eligibility for VA counseling under VEAP is the same as under the Montgomery GI Bill.

Home Loan Guaranties

VA loan guaranties are made to servicemembers, veterans, reservists and unmarried surviving spouses for the purchase of homes, condominiums and manufactured homes, and for refinancing loans. VA guarantees part of the total loan, permitting the purchaser to obtain a mortgage with a competitive interest rate, even without a down payment if the lender agrees. VA requires that a down payment be made for the purchase of a manufactured home. VA also requires a down payment for a home or condominium if the purchase price exceeds the reasonable value of the property or the loan has a graduated payment feature. With a VA guaranty, the lender is protected against loss up to the amount of the guaranty if the borrower fails to repay the loan.

A VA loan guaranty can be used to:

1. buy a home;
2. buy a residential condominium;
3. build a home;
4. repair, alter or improve a home;
5. refinance an existing home loan;
6. buy a manufactured home with or without a lot;
7. buy and improve a manufactured home lot;
8. install a solar heating or cooling system or other weatherization improvements;
9. purchase and improve a home simultaneously with energy-efficient improvements;
10. refinance an existing VA loan to reduce the interest rate and make energy-efficient improvements;
11. refinance a manufactured home loan to acquire a lot.

Eligibility

Applicants must have a good credit rating, have an income sufficient to support mortgage payments, and agree to live in the property. To obtain a VA Certificate of Eligibility, complete VA Form 26-1880, Request for a Certificate of Eligibility for VA Home Loan Benefits, and mail it to one of the two VA Eligibility Centers (Winston-Salem and Los Angeles). In general, those veterans living in the Western part of the country mail their applications to the Los Angeles Eligibility Center, while those living in the Eastern part of the country mail applications to Winston-Salem. Additional information on eligibility and addresses for the Centers is available on VA's loan guaranty eligibility page (<http://www.homeloans.va.gov/elig.htm>) on the World Wide Web. Veterans may also have their lenders obtain a Certificate of Eligibility for them through VA's ACE (Automated Certificate of Eligibility) system. This is an online application that, in some cases, can generate a certificate immediately. Not all cases can be processed through this system but, if all necessary information is available, ACE provides the quickest way to determine eligibility.

Periods of Eligibility

World War II: (1) active duty service after Sept. 15, 1940, and prior to July 26, 1947; (2) discharge under other than dishonorable conditions; and (3) at least 90 days service unless discharged early for a service-connected disability.

Post-World War II: (1) active duty service after July 25, 1947, and

prior to June 27, 1950; (2) discharge under other than dishonorable conditions; and (3) 181 days continuous active duty unless discharged early for service-connected disability.

Korean War: (1) active duty after June 26, 1950, and prior to Feb. 1, 1955; (2) discharge under other than dishonorable conditions; and (3) at least 90 days total service, unless discharged early for a service-connected disability.

Post-Korean War: (1) active duty between Jan. 31, 1955, and Aug. 5, 1964; (2) discharge under conditions other than dishonorable; (3) 181 days continuous service, unless discharged early for service-connected disability.

Vietnam: (1) Active duty after Aug. 4, 1964, and prior to May 8, 1975; (2) discharge under conditions other than dishonorable; and (3) 90 days total service, unless discharged early for service-connected disability. For veterans who served in the Republic of Vietnam, the beginning date is Feb. 28, 1961.

Post-Vietnam: For veterans whose enlisted service began before Sept. 8, 1980, or whose service as an officer began before Oct. 17, 1981: (1) active duty for 181 continuous days, all of which occurred after May 7, 1975, and discharge under conditions other than dishonorable or early discharge for service-connected disability.

24 Month Rule: If service was between Sept. 8, 1980, (Oct. 16, 1981, for officers) and Aug. 1, 1990, veterans must generally complete 24 months of continuous active duty or the full period (at least 181 days) for which they were called or ordered to active duty, and be discharged under conditions other than dishonorable. Exceptions are allowed if the veteran completed at least 181 days of active duty but was discharged earlier than 24 months for (1) hardship, (2) the convenience of the government, (3) reduction-in-force, (4) certain medical conditions, or (5) service-connected disability.

Gulf War: Veterans of the Gulf War era, which began Aug. 2, 1990, and will continue until Congress or the President declares it has ended, must generally complete 24 months of continuous active duty or the full period (at least 90 days) for which they were called or ordered to active duty, and be discharged under conditions other than dishonorable. Exceptions are allowed if the veteran completed at least 90 days of active duty but was discharged earlier than 24

months for (1) hardship, (2) the convenience of the government, (3) reduction-in-force, (4) certain medical conditions, or (5) service-connected disability.

Reservists and National Guard members are eligible if they were activated after Aug. 1, 1990, served at least 90 days, and received an honorable discharge.

Active Duty Personnel: Until the Gulf War era is ended by law or presidential proclamation, persons on active duty are eligible after serving on continuous active duty for 90 days.

Members of the Selected Reserve: Individuals are eligible if they have completed at least six years in the reserves or National Guard or were discharged because of a service-connected disability. This eligibility expires Sept. 30, 2009. Reservists who do not qualify for VA housing loan benefits may be eligible for loans on favorable terms insured by the Federal Housing Administration (FHA) of the Department of Housing and Urban Development (HUD).

Others: Other eligible individuals include unmarried spouses of veterans or reservists who died on active duty or as a result of service-connected causes; spouses of active-duty servicemembers who have been missing in action or a prisoner of war for at least 90 days; U.S. citizens who served in the armed forces of a U.S. ally in World War II; and members of organizations with recognized contributions to the U.S. World War II effort. Eligibility may be determined at the VA Eligibility Centers.

Guaranty Amount

The guaranty amount is the amount of the VA guaranty available to an eligible veteran and may be considered the equivalent of a down payment by lenders. The basic VA guaranty amount is \$36,000, but up to \$60,000 in entitlement may be available to veterans purchasing or constructing homes, to be financed with a loan of more than \$144,000, and to veterans who obtain an Interest Rate Reduction Refinancing Loan of more than \$144,000. The amount of entitlement varies with the loan amount. Loan guaranty limits are listed in the "Tables" section of this booklet.

VA does not establish a maximum loan amount. However, no loan for the acquisition of a home may exceed the reasonable value of the property, which is based on an appraiser's estimate. A buyer, seller,

real estate agent or lender can request a VA appraisal by completing VA Form 26-1805, Request for Determination of Reasonable Value. The requester pays for the appraisal, often called a "VA appraisal," according to a fee schedule approved by VA. This VA appraisal estimates the value of the property, but is not an inspection and does not guarantee that the house is free of defects. VA guarantees the loan, not the condition of the property.

A loan for the purpose of refinancing existing mortgage loans or other liens secured on a dwelling is generally limited to 90 percent of the appraised value of the dwelling. A loan to reduce the interest rate on an existing VA-guaranteed loan, however, can be made for an amount equal to the outstanding balance on the old loan plus closing costs, up to two discount points, and energy-efficient improvements. A loan for the purchase of a manufactured home or lot is limited to 95 percent of the amount that would be subject to finance charges. The VA funding fee and up to \$6,000 in energy-efficient improvements also may be included in the loan.

A veteran who previously obtained a VA loan can use the remaining entitlement for a second purchase. The amount of remaining entitlement is the difference between \$36,000 (\$60,000 for certain loans as previously described) and the amount of entitlement used on prior loans. Remaining entitlement is not necessary for veterans to refinance an existing VA loan with a new one at a lower interest rate.

Required Occupancy

Veterans must certify that they intend to live in the home they are buying or building with a VA guaranty. A veteran who wishes to refinance or improve a home with a VA guaranty also must certify to being in occupancy at the time of application. A spouse may certify occupancy if the buyer is on active duty. In refinancing a VA-guaranteed loan solely to reduce the interest rate, veterans need only certify to prior occupancy.

Closing Costs

Payment in cash is required on all home loan closing costs, including title search and recording, hazard insurance premiums, prepaid taxes and a one percent origination fee, which may be required by lenders in lieu of certain other costs. In the case of refinancing loans, all such costs may be included in the loan, as long as the total loan does not exceed 90 percent of the reasonable value of the property. Interest Rate Reduction Refinancing Loans may include closing costs and a maximum of two discount points.

Loans, including refinancing loans, are charged a funding fee by VA, except for loans made to disabled veterans and unmarried surviving spouses of veterans who died as a result of service. The VA funding fee is based on the loan amount and, at the discretion of the veteran and the lender, may be included in the loan. Funding fee rates are listed in the "Tables" section of this booklet.

Financing, Interest Rates and Terms

Veterans obtain VA-guaranteed loans through the usual lending institutions, including banks, savings and loan associations, building and loan associations, and mortgage loan companies. Veterans may obtain a loan with a fixed interest rate, which may be negotiated with the lender. Veterans also may obtain a hybrid Adjustable Rate Mortgage where the initial interest rate remains fixed for at least three years. After three years the rate cannot be adjusted upward any more than one percent annually and five percent over the life of the loan. If the lender charges discount points on the loan, the veteran may negotiate with the seller as to who will pay points or if they will be split between buyer and seller. Points paid by the veteran may not be included in the loan, except that a maximum of two points may be included in Interest Rate Reduction Refinancing Loans. The loan may be for as long as 30 years and 32 days.

VA does not require that a down payment be made, except in the following instances: (1) a manufactured home or lot loan; (2) a loan with graduated payment features; and (3) to prevent the amount of a loan from exceeding VA's determination of the property's reasonable value. If the sale price exceeds the reasonable value, the veteran must certify that the difference is being paid in cash without supplementary borrowing. A cash down payment of five percent of the purchase price is required for manufactured home or lot loans.

Release of Liability, Loan Assumption

When a veteran sells a home financed through a VA guaranty to a purchaser who assumes the loan, the veteran may request release from liability to the federal government, provided the loan is current, the purchaser has been obligated by contract to purchase the property and assume all of the veteran's liabilities, and VA is satisfied that the purchaser is a good risk. A release of liability does not mean that a veteran's guaranty entitlement is restored. If the new veteran-buyer agrees to substitute entitlement for that of the veteran-seller, entitlement may be restored to the veteran-seller.

A VA loan for which a commitment was made on or after March 1, 1988, is not assumable without approval of VA or its authorized agent. The person who assumes a VA loan for which a commitment was made on or after March 1, 1988, must pay a fee to VA. If a person disposes of the property securing a VA-guaranteed loan for which a commitment was made after March 1, 1988, without first notifying the holder of the loan, the holder may demand immediate and full payment of the loan. Veterans whose loans were closed after Dec. 31, 1989, have no liability to the government following a foreclosure, except in cases involving fraud, misrepresentation or bad faith.

Loans for Native American Veterans

VA direct home loans are available to eligible Native American veterans who wish to purchase, construct or improve a home on Native American trust land. These loans may be used to simultaneously purchase and improve a home. Direct loans also are available to reduce the interest rate on existing loans obtained under this program. VA direct loans may be limited to the cost of the home or \$80,000, whichever is less. A funding fee must be paid to VA. The fee is 1.25 percent for loans to purchase, construct or improve a home. For loans to refinance an existing loan, the fee is 0.5 percent of the loan amount. Veterans receiving compensation for service-connected disability are not required to pay the funding fee. The funding fee may be paid in cash or included in the loan. The following may not be included in the loan: VA appraisal, credit report, loan processing fee, title search, title insurance, recording fees, transfer taxes, survey charges or hazard insurance.

Reposessed Homes

VA acquires properties as a result of foreclosures on VA guaranteed loans. These properties are marketed through a property management services contract with Ocwen Federal Bank, FSB, and listed by local agents through the Multi-Listings System. A listing of properties for sale may be obtained from Ocwen's Internet Web page (<http://www.ocwen.com>). Contact a real estate agent for information on purchasing a VA acquired property.

Safeguards for Veterans

The following home loan guarantee safeguards have been established to protect veterans:

1. Homes completed less than a year before purchase with VA

financing and inspected during construction by either VA or HUD must meet VA requirements.

2. VA may suspend from the loan program those who take unfair advantage of veteran borrowers or decline to sell a new home or make a loan because of race, color, religion, sex, disability, family status or national origin.

3. The builder of a new home is required to give the purchasing veteran a one-year warranty that the home has been constructed to VA-approved plans and specifications. A similar warranty must be given for new manufactured homes.

4. In cases of new construction completed under VA or HUD inspection, VA may pay or otherwise compensate a veteran borrower for correction of structural defects seriously affecting livability if assistance is requested within four years of a home-loan guaranty.

5. The borrower obtaining a loan may only be charged the fees and other charges prescribed by VA as allowable.

6. The borrower can prepay without penalty the entire loan or any part not less than the amount of one installment or \$100.

7. VA encourages holders to extend forbearance if a borrower becomes temporarily unable to meet the terms of the loan.

Life Insurance

There are currently eight VA life insurance programs. Only four of these programs are currently open to new issues. Two of those open to new issues, the Service-Disabled Veterans Insurance and Veterans' Mortgage Life Insurance programs, are specifically designed for disabled veterans. The other two "open" programs, Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI), are administered by the Office of Servicemembers' Group Life Insurance (290 W. Mt. Pleasant Ave., Livingston, NJ 07039-2747, phone 1-800-419-1473) under the supervision of VA.

Servicemembers' Group Life Insurance

The following are automatically insured for \$250,000 under SGLI: active-duty members of the Army, Navy, Air Force, Marines and Coast Guard; commissioned members of the National Oceanic and Atmospheric Administration and the Public Health Service; cadets or midshipmen of the service academies; members, cadets and midshipmen of the ROTC while engaged in authorized training; members of the Ready Reserves; and members who volunteer for assignment to a mobilization category in the Individual Ready

Reserve. Individuals may elect to be covered for a lesser amount or not to be covered at all. Part-time coverage may be provided to members of the reserves who do not qualify for full-time coverage. Premiums are deducted automatically from an individual's pay or are collected by the individual's service branch. At the time of separation from service, SGLI can be converted to either VGLI or a commercial permanent plan through participating companies. SGLI coverage continues for 120 days after separation at no charge.

Family Servicemembers' Group Life Insurance

Family Servicemembers' Group Life Insurance (FSGLI) is essentially a rider to SGLI coverage and provides up to a maximum of \$100,000 of life insurance coverage for spouses, not to exceed the amount of SGLI the insured member has in force, and \$10,000 for dependent children of members insured under the SGLI program. FSGLI is a servicemembers' benefit, and the member is the beneficiary of the policy. If a servicemember drops his or her SGLI coverage or leaves the military, the spouse's policy can be converted to a private life insurance policy within 120 days.

Veterans' Group Life Insurance

SGLI may be converted to Veterans' Group Life Insurance (VGLI), which provides renewable five-year term coverage. VGLI is available to: (a) individuals with full-time SGLI coverage upon release from active duty or the reserves; (b) individuals with part-time SGLI coverage who incur a disability or aggravate a pre-existing disability during a reserve period which renders them uninsurable at standard premium rates; and (c) members of the Individual Ready Reserve and Inactive National Guard.

Individuals who separate from service with SGLI coverage can convert to VGLI by submitting the premium within 120 days of separating. After 121 days, the individual may still be granted VGLI provided an initial premium and evidence of insurability are submitted within one year after termination of SGLI coverage. Servicemembers who are totally disabled at the time of separation are eligible for the SGLI Disability Extension of up to one year. The extension of coverage is free and continues for one year from separation or until the veteran is no longer disabled, whichever comes first. At the end of the one-year Disability Extension, the SGLI is automatically converted to VGLI without evidence of good health. VGLI is convertible at any time to a permanent plan policy with any of the commercial insurance companies that participate in the program.

Accelerated Death Benefits for SGLI, FSGLI and VGLI

A member insured under SGLI or VGLI program, if terminally ill (prognosis of nine months or less to live), may elect to receive up to 50 percent of the coverage amount in advance. Servicemembers with FSGLI coverage may also elect to receive up to 50 percent of their spouse's coverage if the spouse becomes terminally ill.

Service-Disabled Veterans Insurance

A veteran who has a service-connected disability but is otherwise in good health may apply to VA for up to \$10,000 in life insurance coverage within two years from the date of the award of service connection. The veteran should be in good health except for the service-connected disabilities. This insurance is limited to veterans who left service after April 24, 1951. Veterans who are totally disabled may apply for a waiver of premiums. For those veterans who are eligible for this waiver, additional supplemental coverage of up to \$20,000 is available, however, premiums cannot be waived on the additional insurance.

Veterans' Mortgage Life Insurance

VMLI is available to severely disabled veterans who receive a Specially Adapted Housing grant. Maximum coverage is \$90,000. Protection is issued automatically provided that the veteran submits an application or other information required to establish a premium and does not decline coverage. Coverage automatically terminates when the mortgage is satisfied. If a mortgage is disposed of through sale of the property, VMLI may be obtained on the mortgage of another home.

Insurance Dividends

Active government life insurance policies beginning with the letters V, RS, W, J, JR, JS or K, automatically pay dividends annually on the policy anniversary date. Policyholders do not need to apply for these dividends, but may select from a number of options for how they should be handled. VA insurance dividends, and interest on dividends left on deposit or credit with VA, are not taxable. For more information, visit the VA Life Insurance Program Web page (<http://www.insurance.va.gov>) or contact the VA Insurance Center at 1-800-669-8477. Many policyholders may access their own policy information online at the VA Insurance Web site above.

Policyholders with National Service Life Insurance, Veterans Special Life Insurance and Veterans Reopened Insurance can use their

dividends to purchase additional paid-up coverage only at the time the dividend is issued.

Persistent rumors about special SGLI or VGLI dividends and dividends for holders of lapsed policies are not true.

Miscellaneous Insurance Information

Reinstating Lapsed Insurance: Lapsed term policies may be reinstated within five years from the date of lapse. Contact the VA Insurance Center for details. A five-year term policy that is not lapsed at the end of the term period is automatically renewed for an additional five-year period. Lapsed permanent plan policies may be reinstated within certain time limits and with certain health requirements. Reinstated policies require repayment of all back premiums, plus interest.

Converting Term Policies: A term policy that is in force may be converted to a permanent plan. Upon reaching renewal at age 70 or older, National Service Life Insurance term policies on total disability premium waiver are automatically converted to permanent insurance, which provides cash and loan values and higher dividends.

Cash Value for Term Capped Policies: Since Sept. 11, 2000, policyholders of National Service Life Insurance and Veterans Special Life Insurance whose term policies are capped at renewal age 70, have cash values associated with their policies. Policyholders who voluntarily cancel their policies may either take the cash value or use it to purchase paid-up insurance.

Disability Provisions: National Service Life Insurance policyholders who become totally disabled before age 65 should consult VA about premium waivers.

Borrowing on Policies: Policyholders may borrow up to 94 percent of the cash surrender value of their insurance and continue the insurance in force by payment of premiums. Interest on policy loans is compounded annually. The current interest rate may be obtained by calling toll-free 1-800-669-8477.

For additional information about government life insurance, call the VA Insurance Center in Philadelphia toll-free, 1-800-669-8477. Specialists are available between the hours of 8:30 a.m. and 6 p.m., Eastern Time, to discuss premium payments, insurance dividends,

address changes, policy loans, naming beneficiaries and reporting the death of the insured. After hours, a caller may leave a recorded message, which will be answered on the next workday, or may use the Interactive Voice Response system.

If the insurance policy number is not known, send whatever information is available, such as the veteran's VA file number, date of birth, social security number, military serial number or military service branch and dates of service to:

Department of Veterans Affairs
Regional Office and Insurance Center
Box 42954
Philadelphia, PA 19101

Burial Benefits

Eligibility

Servicemembers who die while on active duty and veterans discharged under conditions other than dishonorable may be eligible for the following VA burial benefits: (1) burial in a VA national cemetery; (2) government-furnished headstone or marker; (3) Presidential Memorial Certificate; (4) burial flag; and in some cases, (5) reimbursement of burial expenses. With certain exceptions, service beginning after Sept. 7, 1980, as an enlisted person, and after Oct. 16, 1981, as an officer, must be for a minimum of 24 consecutive months or the full period for which the person was called to active duty to establish burial benefits eligibility. Reservists and National Guard members are eligible if they were entitled to retired pay at the time of death, or would have been entitled had they not been under the age of 60.

Certain Filipino veterans of World War II, to include those who served in the Philippine Commonwealth Army (USAFFE) or recognized guerilla forces, may be eligible if the veteran, at the time of death, was a citizen of the United States or an alien lawfully admitted for permanent residence in the United States who had resided in the United States.

Persons convicted of a federal or state capital crime, and sentenced to death or life imprisonment without parole, are barred from receiving VA burial benefits.

Burial in VA National Cemeteries

VA provides veterans and dependents a variety of gravesite options for burial, though choices are limited to those available at a specific cemetery. These may include a full casket burial, or columbarium or in-ground niche for cremated remains. A limited number of national cemeteries also provide a scatter garden for dispersing cremated remains.

Gravesites in national cemeteries cannot be reserved, however VA will honor reservations made under previous programs. The funeral director or the next of kin makes interment arrangements for an eligible veteran or dependent at the time of need by contacting the national cemetery in which burial is desired. VA normally does not conduct burials on weekends. However, weekend callers will be

directed to a national cemetery that can schedule burials for the following week. See the VA Facilities section of this book to locate a national cemetery.

Spouses and minor children of servicemembers and eligible veterans also may be buried in a national cemetery. If a surviving spouse of an eligible veteran remarries, and that marriage is terminated by death or dissolved by annulment or divorce, the surviving spouse is eligible for burial in a national cemetery. Burial of minor children of eligible persons is limited to unmarried children under 21 years of age, or under 23 years of age if pursuing a full-time course of instruction at an approved educational institution. Eligible veterans' unmarried adult children who became physically or mentally disabled and incapable of self-support before reaching the age of 21, or 23 if a full-time student, also are eligible for burial.

Headstones and Markers

Flat bronze, granite or marble markers and upright granite and marble headstones are available. In the case of national cemeteries, the style chosen must be consistent with existing monuments at the place of burial. Niche markers also are available to mark columbaria used for inurnment of cremated remains. Government-furnished headstones and markers must be inscribed with the name of the deceased, branch of service, and the year of birth and death, in this order. Headstones and markers also may be inscribed with other items, including an authorized emblem of belief and, space permitting, additional text including military grade, rate or rank, war service (such as "World War II"), complete dates of birth and death, military awards, military organizations and civilian or veteran affiliations. When burial or memorialization is in a national, state or military veterans cemetery, the headstone or marker must be ordered through cemetery officials. To apply and to obtain specific information on available styles, contact the cemetery where the headstone or marker is to be placed.

When burial occurs in a private cemetery, an application for a government-furnished headstone or marker must be made to VA. The government will ship the headstone or marker free of charge, but will not pay for its placement. Headstones and markers previously provided by the government may be replaced at government expense if badly deteriorated, illegible, stolen or vandalized. Eligible servicemembers and veterans buried in private cemeteries, whose deaths occurred on or after Sept. 11, 2001, may receive a govern-

ment-furnished headstone or marker regardless of whether the grave is already marked with a non-government marker.

To apply, mail a completed VA Form 40-1330, Application for Standard Government Headstone or Marker for Installation in a Private or State Veterans Cemetery, along with a copy of the veteran's military service discharge document to Memorial Programs Service (402E), Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC, 20420-0001. Or fax documents to 1-800-455-7143. Do not send original discharge documents because they will not be returned. For information and application instructions, visit (<http://www.cem.va.gov>).

VA also provides memorial headstones and markers, bearing the inscription "In Memory of" as their first line, to memorialize eligible veterans whose remains were not recovered or identified, were buried at sea, donated to science or cremated and scattered. Eligible dependents may be memorialized only in national or state veterans cemeteries. To be memorialized, dependents do not need to outlive the veteran from whom their eligibility is based. Memorial headstones or markers must be placed in national, state veterans, local or private cemeteries. VA supplies and ships memorial headstones and markers free of charge for placement in state, local and private cemeteries, but does not pay for their plots or placement.

Presidential Memorial Certificates

Certificates signed by the president are issued upon request to recognize the military service of honorably discharged deceased veterans. Next of kin, other relatives and friends may request Presidential Memorial Certificates in person at any VA regional office or by mail: Presidential Memorial Certificates (402E), National Cemetery Administration, 810 Vermont Avenue, NW, Washington, DC 20420-0001. There is no pre-printed form to complete or time limit for requesting these certificates, but requests should include a copy, not the original, of the deceased veteran's discharge document and clearly indicate to what address the certificate should be sent. Additional information and a sample certificate can be found on the Internet (<http://www.cem.va.gov/pmc.htm>).

Burial Flags

VA will furnish a United States burial flag for memorialization of:

- (1) Veterans who served during wartime, or served after Jan. 31, 1955.

(2) Veterans who were entitled to retired pay for service in the reserves, or would have been entitled to such pay but not for being under 60 years of age.

(3) Members or former members of the Selected Reserve who served at least one enlistment or, in the case of an officer, the period of initial obligation, or were discharged for disability incurred or aggravated in line of duty, or died while a member of the Selected Reserve.

Reimbursement of Burial Expenses

VA will pay a burial allowance up to \$2,000 if the veteran's death is service-connected. In some instances, VA also will pay the cost of transporting the remains of a service-disabled veteran to the national cemetery nearest the home of the deceased that has available gravesites. In such cases, the person who bore the veteran's burial expenses may claim reimbursement from VA. There is no time limit for filing reimbursement claims in service-connected death cases.

VA will pay a \$300 burial and funeral expense allowance for veterans who, at time of death, were entitled to receive pension or compensation or would have been entitled to compensation but for receipt of military retirement pay. Eligibility also may be established when death occurs in a VA facility, a nursing home under VA contract or a state veterans nursing home. Additional costs of transportation of the remains may be paid. In nonservice-connected death cases, claims must be filed within two years after permanent burial or cremation.

VA will pay a \$300 plot allowance when a veteran is not buried in a cemetery under U.S. government jurisdiction under these circumstances: the veteran was discharged from active duty because of disability incurred or aggravated in the line of duty; the veteran was in receipt of compensation or pension or would have been except for receiving military retired pay; or the veteran died in a VA facility.

The \$300 plot allowance may be paid to the state if a veteran is buried without charge for the cost of a plot or interment in a state-owned cemetery reserved solely for veteran burials. Burial expenses paid by the deceased's employer or a state agency will not be reimbursed. For information on monetary benefits, call 1-800-827-1000. Additional information about burial and memorial benefits may be obtained at any VA national cemetery, regional office or on the Internet (<http://www.cem.va.gov/>). To check on the status of an application for headstone or marker, call 1-800-697-6947.

Military Funeral Honors

Upon request, DoD will provide military funeral honors for the burial of military members and eligible veterans. Basic military funeral honors consists of the folding and presentation of the United States flag and the playing of Taps by a bugler, if available, or by electronic recording. A funeral honors detail to perform this ceremony consists of two or more uniformed members of the armed forces, with at least one member from the service in which the deceased veteran served.

Military members on active duty or in the Selected Reserve are eligible for military funeral honors. Also eligible are former military members who served on active duty and departed under conditions other than dishonorable, former members of the Selected Reserve who completed at least one term of enlistment or period of initial obligated service and departed under conditions other than dishonorable, and former military members discharged from the Selected Reserve due to a disability incurred or aggravated in the line of duty.

The Department of Defense maintains a toll-free telephone line (1-877-MIL-HONR) for use by funeral directors only to request honors. Family members should inform their funeral directors if they desire military funeral honors for a veteran. VA national cemetery staff can help arrange for honors during burials at VA national cemeteries. Veterans service organizations or volunteer groups may help provide honors. For more information, visit the military funeral honors Web page (<http://www.militaryfuneralhonors.osd.mil>).

Veterans' Cemeteries Administered by Other Agencies

Arlington National Cemetery: Administered by the Department of the Army. Eligibility for burial is more restrictive than at VA national cemeteries. For information, visit (<http://www.arlingtoncemetery.org/>), write Superintendent, Arlington National Cemetery, Arlington, VA 22211, or call 703-607-8585.

Department of the Interior: The Department of the Interior administers two active national cemeteries: Andersonville National Cemetery in Georgia and Andrew Johnson National Cemetery in Tennessee. Eligibility for burial is similar to VA cemetery eligibility.

State Veterans Cemeteries: Individual states operate cemeteries for veterans. Eligibility requirements may differ from those for national cemeteries. Contact the state cemetery or state veterans affairs office for additional information. To locate a state veterans cemetery, visit the Internet (<http://www.cem.va.gov/lsvc.htm>)