

Veterans' Benefit Programs—CBO's April 2018 Baseline

Disability Compensation

The Department of Veterans Affairs' disability compensation program pays monthly benefits to veterans who have a disability resulting from a medical condition or an injury incurred or aggravated while on active military duty. In some cases, the program also pays benefits to surviving spouses and dependents of totally disabled veterans. For compensable service-connected disabilities, which can consist of one or more physical and mental health conditions, disability payments typically continue until death. Benefit amounts are based on percentage ratings for cumulative disabilities. Compensation is not means-tested, but additional benefits may be available to veterans whose disabilities prevent them from working.

Pensions

The Department of Veterans Affairs' pension program pays monthly benefits to certain low-income veterans and their surviving spouses and dependents. Eligibility for veterans under the age of 65 is based on wartime active-duty service (typically of at least 90 days' duration), total and permanent disability, and countable income below an established amount. Pension benefits are available to veterans over age 65, regardless of disability status, who meet the other requirements. The monthly benefit is based on a maximum annual benefit, which is reduced by a veteran's countable income. Veterans with service-connected disabilities may receive the greater of the pension benefit or the disability compensation benefit, but not both.

CBO's April 2018 Baseline for the Veterans Disability Compensation and Pension programs
(By Fiscal Year)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Disability Compensation^a											
Veterans											
Number (Thousands)	4,719	4,871	4,984	5,070	5,143	5,214	5,284	5,352	5,418	5,483	5,546
Average Annual Benefit (Dollars)	\$14,862	\$16,510	\$16,913	\$17,340	\$19,262	\$18,279	\$17,161	\$19,112	\$19,571	\$20,041	\$22,237
Total Outlays for Veterans (Millions of Dollars)	\$70,136	\$80,422	\$84,300	\$87,907	\$99,062	\$95,312	\$90,678	\$102,285	\$106,037	\$109,878	\$123,316
Survivors											
Number (Thousands)	420	429	438	447	457	466	476	486	497	507	518
Average Annual Benefit (Dollars)	\$15,176	\$16,868	\$17,269	\$17,696	\$19,656	\$18,661	\$17,519	\$19,500	\$19,968	\$20,447	\$22,689
Total Outlays for Survivors (Millions of Dollars)	\$6,375	\$7,236	\$7,565	\$7,916	\$8,979	\$8,705	\$8,346	\$9,486	\$9,919	\$10,372	\$11,753
Total Outlays for Disability Compensation											
Total Outlays (Millions of Dollars)	\$76,511	\$87,658	\$91,865	\$95,823	\$108,041	\$104,017	\$99,024	\$111,770	\$115,956	\$120,250	\$135,069

a. Table incorporates the effects of the Consolidated Appropriations Act of 2018 (P.L. 115-141), as signed by the President on March 23, 2018

Pension											
Veterans											
Number (Thousands)	273	269	265	261	258	254	250	247	244	240	237
Average Annual Benefit (Dollars)	\$12,086	\$13,473	\$13,792	\$14,134	\$15,695	\$14,862	\$13,953	\$15,574	\$15,948	\$16,330	\$20,047
Total Outlays for Veterans (Millions of Dollars)	\$3,295	\$3,621	\$3,654	\$3,692	\$4,042	\$3,774	\$3,494	\$3,846	\$3,883	\$3,922	\$4,747
Survivors											
Number (Thousands)	203	205	207	208	211	213	215	218	220	223	225
Average Annual Benefit (Dollars)	\$8,868	\$9,867	\$10,101	\$10,350	\$11,495	\$10,905	\$10,237	\$11,403	\$11,677	\$11,957	\$14,777
Total Outlays for Survivors (Millions of Dollars)	\$1,800	\$2,019	\$2,086	\$2,158	\$2,420	\$2,320	\$2,202	\$2,480	\$2,569	\$2,662	\$3,330
Total Outlays for Veterans Pension											
Total Outlays (Millions of Dollars)	\$5,095	\$5,640	\$5,740	\$5,850	\$6,463	\$6,094	\$5,696	\$6,326	\$6,453	\$6,584	\$8,078

Note: Numbers may not add up to totals because of rounding.