



Veterans' Disability Compensation and Pensions

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.

Veterans' Disability Compensation and Pension Programs

	By Fiscal Year, Millions of Dollars											2023- 2027	2023- 2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
DISABILITY COMPENSATION													
Veterans													
Estimated Outlays	123,897	126,061	120,794	137,623	142,895	148,136	166,767	145,855	164,854	170,750	176,639	675,509	1,500,374
Adjustment for Payday Shift ^a	<u>-9,531</u>	<u>-1,450</u>	<u>10,981</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-13,276</u>	<u>13,276</u>	<u>0</u>	<u>0</u>	<u>0</u>	n.a	n.a
Total Benefits for Veterans	114,367	124,610	131,775	137,623	142,895	148,136	153,491	159,113	164,854	170,750	176,639	n.a	n.a
Number of Veterans (Thousands of people)	5,397	5,548	5,686	5,794	5,880	5,958	6,035	6,110	6,183	6,254	6,323	n.a	n.a
Average Annual Benefit (Dollars)	21,193	22,461	23,177	23,752	24,303	24,861	25,433	26,040	26,664	27,304	27,937	n.a	n.a
Survivors													
Estimated Outlays	9,508	9,710	9,368	10,796	11,386	12,007	13,757	12,231	14,098	14,881	15,694	53,267	123,928
Adjustment for Payday Shift ^a	<u>-731</u>	<u>-120</u>	<u>852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1,095</u>	<u>1,095</u>	<u>0</u>	<u>0</u>	<u>0</u>	n.a	n.a
Total Benefits for Survivors	8,777	9,590	10,219	10,796	11,386	12,007	12,661	13,345	14,098	14,881	15,694	n.a	n.a
Number of Survivors (Thousands of people)	475	489	505	520	536	553	570	587	605	624	643	n.a	n.a
Average Annual Benefit (Dollars)	18,485	19,591	20,256	20,759	21,239	21,728	22,228	22,758	23,304	23,863	24,416	n.a	n.a
Total Outlays for Disability Compensation	133,405	135,771	130,161	148,419	154,281	160,142	180,524	158,086	178,953	185,630	192,332	728,774	1,624,299
VETERANS' PENSIONS													
Veterans													
Estimated Outlays	2,613	2,350	2,070	2,139	2,023	1,913	1,952	1,652	1,709	1,617	1,529	10,495	18,954
Adjustment for Payday Shift ^a	<u>-201</u>	<u>13</u>	<u>188</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-143</u>	<u>143</u>	<u>0</u>	<u>0</u>	<u>0</u>	n.a	n.a
Total Benefits for Veterans	2,412	2,363	2,258	2,139	2,023	1,913	1,809	1,792	1,709	1,617	1,529	n.a	n.a
Number of Veterans (Thousands of people)	180	167	154	142	132	122	113	104	96	89	82	n.a	n.a
Average Annual Benefit (Dollars)	13,372	14,172	14,653	15,016	15,364	15,717	16,079	17,212	17,772	18,194	18,611	n.a	n.a
Survivors													
Estimated Outlays	1,457	1,298	1,136	1,165	1,094	1,026	1,038	907	942	885	831	5,719	10,322
Adjustment for Payday Shift ^a	<u>-112</u>	<u>9</u>	<u>103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-75</u>	<u>75</u>	<u>0</u>	<u>0</u>	<u>0</u>	n.a	n.a
Total Benefits for Survivors	1,345	1,307	1,240	1,165	1,094	1,026	963	984	942	885	831	n.a	n.a
Number of Survivors (Thousands of people)	190	187	185	182	180	178	175	173	171	169	167	n.a	n.a
Average Annual Benefit (Dollars)	7,080	6,981	6,713	6,396	6,081	5,780	5,491	5,694	5,503	5,231	4,968	n.a	n.a
Total Outlays for Veterans' Pensions	4,070	3,649	3,206	3,304	3,117	2,939	2,990	2,559	2,651	2,502	2,360	16,215	29,277

Components may not sum to totals because of rounding; n.a. = not applicable.

a. 38 U.S. Code § 5120 directs that if the first day of the month occurs on a holiday or weekend, the Department of Veterans Affairs will make benefit payments on the preceding business day. That will result in one additional paycheck in fiscal years 2022 and 2028 and one fewer paycheck in fiscal years 2024 and 2029.