



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 veterans with low income and to 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

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2030	2026-2035
DISABILITY COMPENSATION													
Millions of dollars, by fiscal year													
Veterans													
Outlays Estimated in Baseline	172,434	185,349	198,246	229,318	203,475	230,294	240,451	250,896	283,453	274,598	260,462	1,046,682	2,356,542
Adjustment for Payday Shift ^a	<u>0</u>	<u>0</u>	<u>0</u>	<u>-18,498</u>	<u>18,498</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-21,804</u>	<u>-1,874</u>	<u>23,678</u>	n.a	n.a
Total Benefits for Veterans	172,434	185,349	198,246	210,820	221,973	230,294	240,451	250,896	261,649	272,724	284,140	n.a	n.a
Survivors													
Outlays Estimated in Baseline	11,982	12,692	13,274	15,320	13,587	15,637	16,354	17,223	19,653	19,276	18,458	70,510	161,474
Adjustment for Payday Shift ^a	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1,235</u>	<u>1,236</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1,512</u>	<u>-166</u>	<u>1,678</u>	n.a	n.a
Total Benefits for Survivors	11,982	12,692	13,274	14,084	14,823	15,637	16,354	17,223	18,141	19,110	20,136	n.a	n.a
Total Outlays for Disability Compensation	184,416	198,041	211,520	244,638	217,062	245,931	256,805	268,119	303,106	293,874	278,920	1,117,192	2,518,016
Veterans													
Number of Veterans (Thousands of people)	6,313	6,627	6,929	7,192	7,392	7,554	7,702	7,848	7,989	8,128	8,264	n.a	n.a
Average Annual Benefit (Dollars)	27,313	27,969	28,609	29,312	30,031	30,487	31,218	31,971	32,749	33,553	34,384	n.a	n.a
Survivors													
Number of Survivors (Thousands of people)	546	565	576	598	615	635	649	669	690	711	733	n.a	n.a
Average Annual Benefit (Dollars)	21,945	22,464	23,045	23,552	24,101	24,625	25,199	25,744	26,291	26,878	27,471	n.a	n.a
VETERANS' PENSIONS													
Millions of dollars, by fiscal year													
Veterans													
Outlays Estimated in Baseline	1,931	1,772	1,628	1,607	1,255	1,254	1,148	1,116	1,120	933	795	7,516	12,628
Adjustment for Payday Shift ^a	<u>0</u>	<u>0</u>	<u>0</u>	<u>-114</u>	<u>114</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-81</u>	<u>13</u>	<u>67</u>	n.a	n.a
Total Benefits for Veterans	1,931	1,772	1,628	1,493	1,369	1,254	1,148	1,116	1,040	946	862	n.a	n.a
Survivors													
Outlays Estimated in Baseline	1,104	1,014	932	920	719	719	659	650	654	547	464	4,304	7,278
Adjustment for Payday Shift ^a	<u>0</u>	<u>0</u>	<u>0</u>	<u>-65</u>	<u>65</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-46</u>	<u>6</u>	<u>40</u>	n.a	n.a
Total Benefits for Survivors	1,104	1,014	932	855	784	719	659	650	608	553	504	n.a	n.a
Total Outlays for Veterans' Pensions	3,035	2,786	2,560	2,527	1,974	1,973	1,807	1,766	1,774	1,480	1,259	11,820	19,906
Veterans													
Number of Veterans (Thousands of people)	124	111	99	89	80	71	64	57	51	46	41	n.a	n.a
Average Annual Benefit (Dollars)	15,609	15,985	16,388	16,770	17,159	17,539	17,916	19,434	20,208	20,511	20,854	n.a	n.a
Survivors													
Number of Survivors (Thousands of people)	88	79	71	63	57	51	46	41	37	33	30	n.a	n.a
Average Annual Benefit (Dollars)	12,545	12,851	13,173	13,477	13,781	14,094	14,404	15,842	16,522	16,754	17,024	n.a	n.a

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 payment in fiscal years 2028 and 2033 and one fewer payment in fiscal years 2029 and 2035.