

## **Veterans' Benefit Programs—CBO's January 2020 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.

**Veterans' Benefit Programs—CBO's January 2020 Baseline**

By Fiscal Year

January 28, 2020

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b><u>Disability Compensation</u></b>											
<b>Veterans</b>											
Number (Thousands)	5,102	5,251	5,386	5,502	5,590	5,666	5,724	5,781	5,836	5,890	5,943
Average Annual Benefit (Dollars)	18,436	18,882	19,155	19,569	20,216	20,641	21,126	21,613	22,098	22,576	23,078
Total Payments for Veterans (Millions of dollars)	94,057	99,149	103,178	107,677	113,017	116,943	120,924	124,940	128,973	132,985	137,157
Adjustment for Payday Shift (Millions of dollars) <sup>a</sup>	0	0	8,598	825	-9,423	0	0	0	10,748	-10,748	0
Total Outlays for Veterans (Millions of dollars)	94,057	99,149	111,776	108,502	103,594	116,943	120,924	124,940	139,721	122,237	137,157
<b>Survivors</b>											
Number (Thousands)	444	454	464	474	485	496	507	519	531	543	555
Average Annual Benefit (Dollars)	17,109	17,518	17,973	18,366	18,961	19,357	19,807	20,263	20,719	21,164	21,636
Total Payments for Survivors (Millions of dollars)	7,592	7,949	8,339	8,714	9,200	9,605	10,050	10,514	10,993	11,483	11,998
Adjustment for Payday Shift (Millions of dollars) <sup>a</sup>	0	0	695	67	-762	0	0	0	916	-916	0
Total Outlays for Survivors (Millions of dollars)	7,592	7,949	9,034	8,781	8,438	9,605	10,050	10,514	11,909	10,567	11,998
<b>Total Outlays for Disability Compensation</b>											
Total Outlays (Millions of dollars)	101,649	107,098	120,810	117,284	112,033	126,548	130,974	135,454	151,630	132,804	149,156

Components may not sum to totals because of rounding.

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.

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	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b><u>Pensions</u></b>											
	<b>Veterans</b>										
Number (Thousands)	228	217	207	198	188	180	171	163	156	149	142
Average Annual Benefit (Dollars)	13,107	13,332	13,672	14,053	14,359	14,732	15,074	15,421	15,763	17,050	17,521
Total Payments for Veterans (Millions of dollars)	2,988	2,897	2,833	2,776	2,705	2,646	2,582	2,519	2,456	2,533	2,482
Adjustment for Payday Shift (Millions of dollars) <sup>a</sup>	0	0	236	-10	-226	0	0	0	204	-204	0
Total Outlays for Veterans (Millions of dollars)	2,988	2,897	3,069	2,767	2,479	2,646	2,582	2,519	2,660	2,329	2,482
	<b>Survivors</b>										
Number (Thousands)	190	187	185	182	180	178	175	173	171	169	167
Average Annual Benefit (Dollars)	8,123	8,040	8,025	8,030	7,972	7,962	7,924	7,884	7,836	8,471	8,482
Total Payments for Survivors (Millions of dollars)	1,543	1,506	1,482	1,463	1,434	1,414	1,390	1,366	1,341	1,433	1,419
Adjustment for Payday Shift (Millions of dollars) <sup>a</sup>	0	0	124	-5	-119	0	0	0	112	-112	0
Total Outlays for Survivors (Millions of dollars)	1,543	1,506	1,606	1,458	1,316	1,414	1,390	1,366	1,453	1,322	1,419
<b>Total Outlays for Veterans Pensions</b>											
Total Outlays (Millions of dollars)	4,531	4,403	4,675	4,225	3,795	4,060	3,972	3,885	4,113	3,651	3,901

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