

VETERANS VOICE

Winnebago County Department of Veterans Services Newsletter

November 2018

Needs-Based Benefit Programs

Veterans Affairs (VA) amended its regulations governing entitlement to VA pension and other needs-based benefit programs. This new rule is effective October 18, 2018. The amended regulations are as follows:

- Establish a clear limit or “bright-line” on the amount of net worth a claimant may have to qualify for VA pension benefits. For 2018, the bright-line net worth limit is \$123,600. Net worth is the sum of a claimant’s or beneficiary’s assets plus annual income (Assets + Annual Income = Net Worth).
- Establish a 36-month (3 year) look-back period to review asset transfers that reduce net worth and create pension entitlement. VA has amended the regulation to include a 3-year look-back period to identify any asset transfers that occurred prior to a claimant’s application for pension. The value of these assets is then considered when determining if a claimant’s net worth is a bar to pension entitlement.
- Establish up to a 5-year penalty period to be calculated based on the portion of the **covered assets** that would have made net worth excessive. A covered asset is an asset that was part of the claimant’s net worth, was transferred for less than fair market value within the 36-month period prior to applying for benefits, and if not transferred, would have caused or partially caused the claimant’s net worth to exceed the net worth limit.

“Live for something
rather than die for
nothing.”

George Patton

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Sale of Home as an Asset

- VA recognizes one primary residence per claimant
- If the residence is sold, proceeds from the sale count as an asset unless the claimant buys another home within the same calendar year.
- The provision only applies to home sales made after the date of pension entitlement

Residential Lot Size Limit

- The new regulation excludes from net worth the primary residence plus the residential lot area.
- Residential lot area is the lot on which a residence sits that does not exceed 2 acres (87,120 square feet)
- If the lot exceeds 2 acres, VA must develop for the value of the additional land

SECTION IX: QUESTIONS REGARDING INCOME AND ASSETS (If more space is needed, attach a separate sheet)	
32. DO YOU OR YOUR DEPENDENTS OWN YOUR OR YOUR FAMILY'S PRIMARY RESIDENCE?	
<input type="checkbox"/> YES	<input type="checkbox"/> NO
<small>(If "Yes," complete Items 33A and 33B. (If "No," skip to Item 34A.)</small>	
33A. WHAT IS THE SIZE OF THE LOT ON WHICH THE PRIMARY RESIDENCE SITS?	33B. COULD ANY PART OF THE LOT BE SOLD WITHOUT SELLING THE RESIDENCE?
<input type="text"/> Square feet	<input type="checkbox"/> YES <input type="checkbox"/> NO

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What is our Bright Line?

\$123,600 for 2018

- Community Spouse Resource Allowance (CSRA) for Medicaid purposes
- Indexed for inflation
- Will change annually by SSA COLA increases
- Must exceed amount to be over the limit

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Continued....

- Established spend-down provisions for claimants to decrease their net worth and qualify for pension through penalty periods calculation.
- Clarifies some of those certain medical expenses that may be deducted from countable income for VA's needs-based benefit programs and update medical expense definitions for consistency with VBA internal producers for the following definitions. Examples of these expenses include:
 - Activities of daily living (ADLs)
 - Instrumental activities of daily living (IADLs)
 - Custodial care
 - Assisted living
 - Adult day care

Generally, medical expenses for VA needs-based benefit purposes are payments for items or services that are medically necessary; that improve a disabled individual's functioning; or that prevent, slow or ease an individual's functional decline.

VA's Amended regulations help maintain the integrity of its need-based programs. These changes ensure qualified wartime Veterans and their survivors receive these benefits. VA is committed to responsibly administering these programs to ensure that these benefits remain available for Veterans and survivors with financial need in the future.

VA pension benefits are an important source of income for many disabled or elderly Veterans who may be housebound or require the aid and attendance of another person. The amended regulation will help us ensure that qualified wartime Veterans and their survivors receive needs-based pension benefits. In addition, the amended regulations change will simplify aspects of the pension program for future automation and faster delivery of benefits to individuals in need.

For more information on the VA pension program, contact our office or go to www.benefits.va.gov/PENSION/.



Oshkosh Senior Services

The mission of the Senior Services is to "Enrich the quality of life for adults ages 50 and older". They have programs and activities that help promote and encourage active, engaged living for those they serve. Following are some of the activities they offer:

Arts & Crafts - Basket Weaving, Ceramics, Hands On Clay, Knitting and Crocheting, Special Projects.

Woodshop - Wood Carving Classes, Introduction to Woodshop, Project Classes.

Exercise & Fitness - Cardio Mix, Totally Toning, Sweat N' Sculpt Circuit, Instructors Choice, Forever Fit, Movement Exercise Class, High Intermediate Line Dancing, Intermediate Line Dancing.

Wellness - A Healthier You, Mindfulness Meet-Up, Senior Nutrition Program, Foot Care/Finger Nail Care, ADRC Outreach, Elder Benefit Specialist, Free Hearing Screenings, Health Fairs, Educational Presentations.

Drop-in Services - Free Blood Pressure Clinics and Medication Review, Flu Shots.

Support Groups - Grief Support, Parkinson's Support, Visually Challenged Support.

For more information regarding Senior Services and any of these activities please call (920) 232-5300.

Disability Severance Pay (DSP) - Tax Refund Claims

DSP is a one-time lump sum payment paid by the Defense Finance and Accounting Service (DFAS) for medical disability. This is separate from VA disability payments for service-connected disabilities identified at retirement. To be eligible for DSP, service members must be found unfit for duty, have less than 20 years of service and have a disability rating of less than 30%.

Prior to 2016 the VA had a separate disability evaluation process from the Department of Defense (DoD). DFAS treated DSP as taxable income subject to withholding. Many veterans did not realize and did not file amended returns. In December 2016 the Combat-Injured Veterans Tax Fairness Act of 2016 was passed.

The Legislation

The Combat-Injured Veterans Tax Fairness Act provides affected veterans additional time to file a claim for a credit or refund for an overpayment attributable to disability severance payments received after January 17, 1991. It requires DoD to provide notice. The notice and instructions as to how to file an amended return were mailed to veterans between July 9 - 19, 2018. Time period for filing refund claims is as follows:

- One (1) year from date DoD Notice was mailed to them; or
- Three (3) years after due date for filing original return for year DSP was paid; or
- Two (2) years after tax was paid for the year the DSP was paid.

How to File a Claim

If requesting standard refund amounts Veterans must input the standard refund amount on lines 15B and 22 of Form 1040X and attach DoD Notice Letter. Standard refund amounts are as follows:

\$1,750 for tax years 1991—2005

\$2,400 for tax years 2006—2010

\$3,200 for tax years 2011—2016

Veterans will receive interest on refunds (Note: the interest received is taxable income)

If Using Actual DSP Amounts Veterans must complete the Form 1040X, following all instructions carefully, and attach the DoD Notice Letter. You can request original return information from the IRS (however IRS records are maintained for limited number of years). You will receive interest on refunds (interest is considered taxable income).

No DoD Notice Letter Veterans who did not receive a DoD Notice Letter but believe they are eligible can still submit a claim for refund of either the standard amount or the actual overpayment attributable to the DSP. Complete Form 1040X for either the standard amount or the actual overpayment. Attach the VA determination letter confirming disability, and confirmation of the amount of the DSP.

At the top of the front page of Form 1040X, write “Veteran Disability Severance” or “St. Clair Claim”.

How to File Claim

No Documentation:

- Contact National Archives, National Personnel Records Center (<https://www.archives.gov/veterans>), or
- Contact Department of Veterans Affairs (VA) (<https://www.va.gov/>)
- Contact DFAS (https://www.dfas.mil/dsp_irs.html)

Deceased Veterans:

In addition to filing Form 1040X, survivors of deceased veterans must file an IRS Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, or if the taxpayer is the surviving spouse who filed married filing jointly return with service member, surviving spouse will file Form 1040X.

Mailing the Refund Claim

- Mail Form 1040X and accompanying documents to:

Internal Revenue Service
333 W. Pershing Street, Stop 6503, P5
Kansas City, MO 64108

- Special IRS toll free number: (833) 558-5245, ext. 378

Going Forward

The DoD and the VA have the Integrated Disability Evaluation System (IDES). In mid 2017 the IRS agreed that DoD can rely on proposed VA rating to determine taxability. Service members now receive proposed VA ratings prior to separation. And the DoD makes initial tax withholding decision at time of separation.



[IRS.gov/Advocate](https://www.irs.gov/Advocate)

[YouTube.com/tasnta](https://www.youtube.com/tasnta)

[Facebook.com/YourVoiceAtIRS](https://www.facebook.com/YourVoiceAtIRS)

[Twitter.com/YourVoiceatIRS](https://twitter.com/YourVoiceatIRS)

Call 1-877-777-4778

Upcoming Events

Click on pictures below for upcoming event information



Oshkosh Seniors Center Presents:

Military Tribute Event **Honoring Those Who Have Served** **Wednesday, November 14, 2018** **Senior Center South Bldg**

**10:15 AM-11:15 am-
Presentation**

**"THE LAST PLANE
OUT OF
CAMBODIA"**



**PRESENTED
BY: NEIL
HANSEN**

**11:30 AM HONOR LUNCH
SERVED
VETERANS LUNCH :FREE**

**LUNCH FOR NON-
VETERAN:\$5.00**

**Register/Purchase
Ticket @ Front Desk
by November 12,
2018**

**Thank you to
our event
supporters:**



**LAKESHORE
MANOR**

a Senior Lifestyle community



BELLA VISTA

a Senior Lifestyle community

Upcoming Events

Click on pictures below for upcoming event information



MILITARY EXPOSURE TO BURN PITS

Wednesday, November 14
in Reeve Theatre from
6:00 PM-8:00 PM



CONTACT US

**Winnebago County
Veterans Service Office**

Oshkosh Location
112 Otter St.
Oshkosh, WI 54901
(920) 232-3400

Neenah Location
211 N. Commercial
Neenah, WI 54956
(920) 729-4820

Stay informed about bene-
fits; join our e-mail list.
Send a request to:

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Visit us on the web at:

[www.co.winnebago.wi.us/
veterans](http://www.co.winnebago.wi.us/veterans)



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For a list of more events,
check out our [calendar!](#)