

Veterans' Benefit Programs—CBO's May 2019 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 May 2019 Baseline
By Fiscal Year

May 2, 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Disability Compensation											
Veterans											
Number (Thousands)	4,895	5,008	5,094	5,168	5,240	5,310	5,377	5,443	5,507	5,569	5,630
Average Annual Benefit (Dollars)	17,364	18,013	18,248	18,607	19,008	19,602	20,009	20,474	20,946	21,429	21,919
Total Payments for Veterans (Millions of dollars)	84,988	89,646	92,332	96,019	99,417	103,876	107,382	111,224	115,128	119,143	123,169
Adjustment for Payday Shift (Millions of dollars)	0	0	0	8,014	676	-8,672	0	0	0	9,945	-9,945
Total Outlays for Veterans (Millions of dollars)	84,988	90,205	92,950	104,177	100,279	95,406	107,591	111,433	115,341	129,286	113,455
Survivors											
Number (Thousands)	434	447	458	470	481	494	506	519	532	546	560
Average Annual Benefit (Dollars)	16,783	17,282	17,712	18,177	18,580	19,123	19,539	19,995	20,455	20,931	21,400
Total Payments for Survivors (Millions of dollars)	7,280	7,718	8,110	8,535	8,945	9,440	9,890	10,378	10,886	11,422	11,974
Adjustment for Payday Shift (Millions of dollars)	0	0	0	708	61	-768	0	0	0	949	-949
Total Outlays for Survivors (Millions of dollars)	7,280	7,718	8,110	9,243	9,005	8,672	9,890	10,378	10,886	12,371	11,026
Total Outlays for Disability Compensation											
Total Outlays (Millions of dollars)	92,268	97,923	101,061	113,420	109,284	104,077	117,481	121,811	126,227	141,656	124,481

Components may not sum to totals because of rounding.

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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	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<u>Pensions</u>											
	Veterans										
Number (Thousands)	252	243	235	228	220	213	206	200	193	187	181
Average Annual Benefit (Dollars)	12,843	13,201	13,530	13,880	14,224	14,580	14,926	15,273	15,625	15,983	17,529
Total Payments for Veterans (Millions of dollars)	3,231	3,213	3,185	3,161	3,134	3,109	3,079	3,049	3,018	2,987	3,171
Adjustment for Payday Shift (Millions of dollars)	0	0	0	263	-1	-262	0	0	0	249	-249
Total Outlays for Veterans (Millions of dollars)	3,231	3,213	3,185	3,425	3,134	2,847	3,079	3,049	3,018	3,236	2,922
	Survivors										
Number (Thousands)	190	187	185	182	180	178	175	173	171	169	167
Average Annual Benefit (Dollars)	9,603	9,855	10,101	10,363	10,636	10,867	11,142	11,400	11,662	11,931	13,163
Total Payments for Survivors (Millions of dollars)	1,824	1,846	1,865	1,888	1,913	1,930	1,954	1,975	1,996	2,019	2,202
Adjustment for Payday Shift (Millions of dollars)	0	0	0	157	0	-157	0	0	0	168	-168
Total Outlays for Survivors (Millions of dollars)	1,824	1,846	1,865	2,046	1,912	1,773	1,954	1,975	1,996	2,187	2,034
Total Outlays for Veterans Pensions											
Total Outlays (Millions of Dollars)	5,055	5,058	5,051	5,470	5,046	4,619	5,033	5,024	5,014	5,423	4,955

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