



Income Verification (IV) Frequently Asked Questions (FAQ)

Income Verification is a process VA uses to match Veterans' gross household income information obtained from the Internal Revenue Service (IRS) and Social Security Administration (SSA). Gross household income includes income of the Veteran, spouse and dependent children. Veterans who receive free medical care, medications, and beneficiary travel benefits based on their self-reported income may have their income verified.

Veterans will be contacted by the VA only when the IRS and SSA information indicates a change in their VA health benefits **may** be appropriate. If that occurs, Veterans and spouse(s) (if applicable) will be asked to review the IRS and SSA information. Veterans will have the opportunity to provide out-of-pocket non-reimbursed deductible expenses to include medical, burial or educational expenses. Providing above information will assist VA in confirming Veterans' eligibility for health care benefits, beneficiary travel and copayment responsibility.

Note: As of March 24, 2014, VA has changed the annual requirement for most VA-health-care-enrolled Veterans to update their financial information annually to determine their eligibility for VA health care benefits. Instead, VA will simply confirm continued eligibility for health benefits using information obtained from IRS and SSA.

This information bulletin addresses many frequently asked questions associated with the IV process.

Correspondence to Veterans

An IV case is created when Veterans' gross household income is matched with IRS and SSA and is above the established VA National Income Limits. Letters are mailed to Veterans and spouses (if applicable) to verify the income and resolve the discrepancy. Below is a brief description for each type of letter used to inform Veterans and spouses (if applicable) as to what they can do to dispute the income reported by IRS and SSA. Veterans have the opportunity to reduce their gross household income by providing amounts for out-of-pocket non-reimbursed deductible expenses for medical, burial, and Veteran's education paid during the income year being verified. If no response is received within 75 days from the date of the initial letter, VA will accept the IRS and SSA information as correct and a letter will be mailed on the 76th day informing Veterans if there is a change in their copayment status.

1. The **initial letter** contains Federal Income Tax Information (FTI) received from IRS and SSA and is mailed to Veterans and spouses (if applicable) for their verification.

Veterans and spouses are afforded an opportunity to verify the income and/or to provide the total amount of deductible expenses to reduce the gross household income below the VA National Income Limits.

2. The **reminder letter** is mailed on the 46th day to Veterans if a response has not been received after 45 days from the date of the initial letter.

The letter provides Veterans another opportunity to verify the information received and/or to provide out-of-pocket non-reimbursed deductible expenses.

3. The **decision letter** explains the outcome of Veterans' cases, copayment statuses and appeal rights. It is mailed on the 76th day after a review of documentation is received from Veterans or if no response is received after 75 days from the date of the initial letter.

If there is no response, VA will accept the IRS and SSA information as correct and a letter will be mailed informing Veterans of the change in copayment statuses.

NOTE: In January 2003, VA made the difficult decision to suspend new enrollment of Veterans assigned to Priority Group 8e and 8g (VA's lowest priority group consisting of higher income Veterans) to ensure the availability of quality and timely health care to Veterans with service-connected conditions, special authority based on military service, low income, and those with special health care needs.

New regulations took effect on June 15, 2009 that allows VA to relax income restrictions on enrollment for health care benefits. While this new provision does not remove consideration of income, it does increase income limits. You may be eligible for enrollment under this new provision.

Frequently Asked Questions

Do First-Time Enrollees Have to Provide Their Household Income?

Yes, new enrollees must provide their previous year's total gross household income for the initial determination to be made. Enrollment may be declined if financial information is not provided. If enrollment is declined for the year in review, the Veteran may apply the following year.

Beginning in 2014, most Veterans are no longer required to complete the annual financial assessment known as a Means Test if their income exceeds the national thresholds. Veterans are recommended to complete an annual Means Test if their income falls below the established threshold to remain in the exempt status (Priority Group 5).

How Does VA Verify Veterans' Income?

VA verifies income by matching Veterans' gross household income information obtained from IRS and SSA. VA has a matching agreement with IRS and SSA that enables the VA to receive earned and unearned income information reported by employers, financial institutions and includes self-employment.

Note: VA is required by law to independently verify this information before making a final benefit determination. The Health Eligibility Center will not change Veterans' copayment statuses until information obtained from IRS and SSA has been independently verified either by Veterans, employer(s), financial institution(s), or through appropriate due process procedures.

Does VA Have Access to My Income Tax Return?

VA does not have access to income tax return information.

What Do You Mean By Earned and Unearned Income?

Earned income is generally wages received from employment. Unearned income is money received from: interest, stocks, bonds, dividends, Social Security benefits, pensions, annuities/retirement, gambling winnings and unemployment.

What Happens If Veterans' Federal Tax Information Is Determined To Be Higher Than The VA National Income Limits?

After Veterans' have provided documentation and the gross household income is still above the VA National Income Limits, Veterans' copayment responsibilities and enrollment priority group assignments will be changed. Veterans' financial information will assist VA in establishing eligibility for health care and beneficiary travel benefits and copayment charges.

Whose Income Will Be Verified?

Non-service connected (NSC) and 0% service connected (SC) Veterans whose income is above the established VA National Income Limits will be mailed a letter requesting verification of their income.

Why Is My Prior Year Income Verified?

The law, 38 U.S.C 1722, specifies that eligibility for cost-free health care is based on your total gross household income for the prior calendar year.

What is Gross Household Income?

Gross household income is earned and unearned income from all sources for Veterans, spouse(s) and their dependent(s) before any allowable deductions.

Why Does VA Need the Social Security Number (SSN) Of My Spouse and Dependents?

The spouse and dependent(s) SSNs are needed to validate legal dependents and allow VA to obtain and verify the total gross household income information from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

What are other Eligibility Factors?

Other Eligibility Factors (any one of the following qualifies a Veteran for VA health care)

- Former Prisoner of War (POW)
- Medal of Honor
- Purple Heart
- Southwest Asia Medal
- Discharged due to a disability that was incurred or aggravated in the line of duty
- VA-rated Service-Connected disability
- Agent Orange exposure while serving in the Republic of Vietnam from 1962 to 1975
- Project 112/SHAD participants
- Veterans exposed to ionizing radiation during atmospheric testing or during the occupation of Hiroshima and Nagasaki
- Served on active duty at Camp Lejeune, NC for at least 30 days between August 1, 1953, and December 31, 1987
- Combat Veteran

As A Combat Veteran, Am I Required to Provide My Financial Information? Will I Be Billed for Health Care Services?

VA will not charge copays to Veterans who served in a theater of combat operations (after November 11, 1998) for health care services and nursing home care for conditions potentially related to military service for the timeframes described below:

- Veterans who served in a theater of combat operations after November 11, 1998, and who were discharged or released between September 11, 2001 and October 1, 2013, have one year from October 1, 2022 to apply for enrollment into VA health care.
- Combat Veterans who served in a theater of combat operations after November 11, 1998 and were discharged or released from active service on or after October 1, 2013, are now eligible to enroll for 10 years from the date of discharge or release.

Combat Veterans are recommended to disclose their household income information to determine their eligibility for a higher priority assignment, beneficiary travel benefits, and exemption of copays for care unrelated to their military service.

What Does It Mean if Veterans Receive A Letter Saying VA Could Not Verify Their SSN?

VA will attempt to confirm the SSN, name, and date of birth of Veterans with SSA records. If the SSN, name, or date of birth does not match, VA will request Veterans to clarify the differences.

If Veterans Decline To Provide Income and Agree To Make Copayments, Will VA Still Verify My Income Information?

As an enhanced benefit, VA will obtain Veterans' most recent financial information through computer matching agreements obtained from the IRS and SSA to verify Veterans' household income. Veterans will only be contacted if clarification is needed regarding the financial information.

What if Veterans Receive a Copayment Bill and Cannot pay?

There are four possible options for Veterans unable to pay assessed copayment charges:

1. Request a **Waiver of Debt**. A waiver or "write-off" refers to an agreement to forgive payment of an existing VA debt. If your projected household income for the current year is substantially reduced and will affect your ability to repay your debt, you can request a waiver of your copayment debt. You must request a waiver within 180 days of the date of your billing statement. To request a waiver, contact your local Revenue Office or call VA at 1-877-222-VETS (8387).
2. Request a **Hardship Determination**. A hardship determination provides an exemption from outpatient and inpatient copayments for the remaining calendar year. If your projected household income is substantially below your prior year's income, you may request a hardship determination by contacting your local Enrollment Coordinator.
3. Request an **Offer in Compromise**. A compromise is an "offer to settle" your past VA debts. VA will consider both current and future household income in making a decision. Generally, offers of compromise that are accepted must be paid in full within 30 days from the date of acceptance. To request a compromise, contact your local Revenue Office.
4. Request a **Repayment Plan**. Another option that may be available to you is a VA repayment plan, known as "collection by installment". To request a repayment plan, contact your local Revenue Office or call VA at 1-877-222-VETS (8387).

For More Information

If you have additional questions, please contact the Health Eligibility Center at 1-877-222-VETS (8387) between 8:00 a.m. and 8:00 p.m., eastern, Monday through Friday. Information is also available online at www.va.gov/health-care/.