§ 3.251 Income of parents; dependency and indemnity compensation.

(a) Annual income limitations and rates. (1) Dependency and indemnity compensation is not payable to a parent or parents whose annual income exceeds the limitations set forth in 38 U.S.C. 1315(b), (c), or (d).

(2) Where there is only one parent, and the parent has remarried and is living with his or her spouse, dependency and indemnity compensation will be paid under either the formula in 38 U.S.C. 1315(b)(1) or the formula in 38 U.S.C. 1315(d), whichever will provide the greater monthly rate of dependency and indemnity compensation. The total combined annual income of the parent and spouse will be counted.

(b) Remarriage. Dependency will not be denied solely because of remarriage (38 U.S.C. 102(b)(1)). Compensation may be continued if the parent submits evidence to show that dependency exists, considering the combined income and expenses of the parent and spouse.

(c) Inception of dependency. The fact that the veteran has made habitual contributions to the father or mother, or both, is not conclusive evidence that dependency existed but will be considered in connection with all other evidence. In death claims, it is not material whether dependency arose prior or subsequent to the veteran’s death. (See §3.100(d)(3) as to accrued.)

Authority: 38 U.S.C. 102(a)

(d) Remarriage. Dependency will not be denied solely because of remarriage (38 U.S.C. 102(b)(1)). Compensation may be continued if the parent submits evidence to show that dependency exists, considering the combined income and expenses of the parent and spouse.


§ 3.252 Annual income; pension; Mexican border period and later war periods.

(a) Annual income limitations: old-law pension. Where the right to old-law pension is payable under section 306(b) of Pub. L. 95–588 (92 Stat. 2497), pension is not payable if the pensioner’s annual income exceeds the income limitations prescribed by §3.26(c).

(b) Annual income and net worth limitations; Pub. L. 96–211. Pension is not
payable to a veteran, surviving spouse or child whose annual income exceeds the limitations set forth in 38 U.S.C. 1521, 1541 or 1542; or to a veteran, surviving spouse or child if it is reasonable that some part of the claimant’s estate be consumed for his or her maintenance. Where a veteran and spouse are living together, the separate income of the spouse will be considered as the veteran’s income as provided in §3.262(b).

(c) Basic rule. Payments of any kind or from any source will be counted as income unless specifically excluded. Income will be counted for the calendar year in which it is received and total income for the full calendar year will be considered except as provided in §3.260.

(d) Veteran with a spouse. For the purpose of determining eligibility under paragraph (b) of this section the pension rates provided by 38 U.S.C. 1521(c) may be authorized for a married veteran if he or she is living with or, if estranged, is reasonably contributing to the support of his or her spouse. The determination of “reasonable” contribution will be based on all the circumstances in the case, considering the income and estate of the veteran and the separate income and estate of the spouse. Apportionment of the veteran’s pension under §3.451 meets the requirement of reasonable contribution.

(e) Surviving spouse with a child—(1) Child. The term “child” means a child as defined in §3.57. Where a veteran’s child is born after the veteran dies, the surviving spouse will not be considered a surviving spouse with a child prior to the child’s date of birth.

(2) Veteran’s child not in surviving spouse’s custody. Where the veteran was survived by a surviving spouse and by a child, the income increments for a surviving spouse with a child prior to the child’s date of birth.

(3) Income of child. The separate income received by a child or children, regardless of custody, will not be considered in computing the surviving spouse’s income. Where the separate income of the child is turned over to the surviving spouse, only so much of the money as is left after deducting any expenses for maintenance of the child will be considered the surviving spouse’s income.

(4) Alternative rate. Whenever the monthly pension rate payable to the surviving spouse under the formula in 38 U.S.C. 1541(c) is less than the rate payable for one child under section 1542 if the surviving spouse were not entitled, the surviving spouse will be paid the child’s rate.

(f) Income over maximum; reduced aid and attendance allowance. Beginning January 1, 1977, veterans in need of regular aid and attendance who are not receiving pension because their income exceeds the applicable statutory limitation may be eligible for a reduced aid and attendance allowance. The amount payable is the regular aid and attendance allowance authorized by 38 U.S.C. 1521(d)(1) reduced by 16.6 percent for each $100, or portion thereof, by which the veteran’s annual income exceeds the applicable maximum income limitation. The reduced aid and attendance allowance is payable when:

(1) A veteran in need of regular aid and attendance is denied pension under 38 U.S.C. 1521 solely because the veteran’s annual income exceeds the applicable maximum income limitation in 38 U.S.C. 1521(b)(3) and (c)(3); or

(2) Pension payable under 38 U.S.C. 1521 to a veteran in need of regular aid and attendance is discontinued solely because the veteran’s annual income exceeds the applicable maximum income limitation in 38 U.S.C. 1521(b)(3) or (c)(3); and

(3) The veteran’s annual income exceeds the applicable maximum income limitation in 38 U.S.C. 1521(b)(3) or (c)(3) by an amount not greater than the amount specified in 38 U.S.C. 1521(d)(2).

CROSS REFERENCES: Basic pension determinations. See §3.314. Determination of permanent need for regular aid and attendance and “permanently bedridden”. See §3.352.