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With VA accredited individuals to serve you better

Since August of 2014 we have received more and more letters which contain FTI requests. Yet the case managers at the VA do not seem to have received the relevant training. This last day before comments end, the attached denial letter was faxed to me.

This is not the first denial letter received since August of 2014 where a veteran is denied the pension **for IRA withdraws taken in 2013**.

In this case, the veteran and his spouse have \$4,810.05 in total monthly income. They have \$11,594.90 in monthly medical expenses related to facility fees, Medicare and their supplemental health insurance plan.

They had \$63,768.00 in assets, **of which, \$20,800 is in an IRA.**

They filed in September 2014, the veteran is 89 years old.

In December 2014, a letter arrived from the VA asking him to explain the \$116,351 in IRA withdrawals disclosed on his **2013 tax return**. In response, the following was submitted:

Dear VA,

I have applied for VA pension with aid and attendance. In your letter dated Dec XX, 2014 reference PMC/XX/XX, you asked for more information.

The long term care policy that I received income from ran out in 2013 and I receive no further income from that policy.

In 2013 my wife and I took distributions from our IRA accounts to pay for my nursing home care in the amount of \$116,351. This income from IRA distribution will not be repeated as we have depleted the assets in our IRA. My IRA is gone and my wife only has only \$20,802 remaining in hers...

Please reconsider my claim

It is clear from the attached denial letter, which is not unique, that there has been little to no training done on the look back that the VA has already started to implement. This is the fourth denial I have assisted with since January that relates to 2013 income that has clearly been shown to be **non-recurring**. How can they possibly receive another \$116,351 from an IRA that was **closed** in 2013? In my opinion, this is occurring too often to be a one off mistake and is indicative of the need for basic financial education.

We need education at the VA on common financial situations for what they are doing now and a clear plan for how we are going to make this as easy as possible for the veterans if any changes are implemented.

Sincerely,
Patricia Servaes

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DEPARTMENT OF VETERANS AFFAIRS

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MAR 11 2015

In Reply Refer To: CONTAINS FTI

Dated IRA distribution clarifying letter was received by the VA

We made a decision on your claim for pension with special monthly pension benefits received February 28, 2015.

Every effort was made in considering your claim. This notification tells you what we decided, how we made our decision and what evidence we used to make our decision. We have also included information on what to do if you disagree with our decision and who to contact if you have questions or need assistance.

What We Decided

We denied your claim for pension with special monthly pension benefits.

How Did We Make Our Decision?

The evidence shows your income effective September 1, 2014, exceeds the maximum annual limit set by law for disability pension at the aid and attendance rate.

The income limit at the aid and attendance rate for a veteran with 1 dependent is \$21,107.00. Your income for VA Purposes is \$78,270.00.

Income We Counted

	Annual Other Income	Annual Social Security	Annual IRA Distributions	Annual Interest/ Dividends
Yourself	\$280.00	\$28,954.00	\$116,351.00	\$173.00
Spouse	13284.00	12,130.00	2,080.00	921.00

We considered your expenses for Medicare Part B Premiums, private medical insurance premiums, and nursing home fees which totaled \$96,731.00, but your income for VA purposes is still greater than the allowable limit. We can only consider medical expenses that are more than \$632.00, which is 5% of \$21,107.00, your maximum annual basic pension rate.