



## Income Verification (IV)

Title 38 United States Code 5317 authorizes the Department of Veterans Affairs (VA) to verify Veterans' self-reported gross household income information by matching with records maintained by the Social Security Administration (SSA) and Internal Revenue Service (IRS). VA's Health Eligibility Center (HEC) verifies earned and unearned income reported by nonservice-connected and noncompensable service-connected Veterans who are required to complete a financial assessment (means test). This Income Verification (IV) process helps to assure the integrity of VA's health care benefit program. This fact sheet addresses many commonly asked questions associated with the IV process.

### Letters From IV

An income verification case is created when the total gross household income reported to VA by a Veteran is below established thresholds but the amount reported to IRS and SSA exceeds established income thresholds. Letters are mailed to the Veteran and spouse (if applicable) to resolve the discrepancy. Below is a description for each type of letter informing the Veteran what they can do to dispute the income as reported by IRS and SSA and/or reduce the total gross household income by providing proof of allowable deductible expenses.

1. The **initial letter** contains prior year income received from IRS and SSA and is mailed to the Veteran and spouse for their review.

Veteran and spouse are given an opportunity to dispute income and/or to submit evidence of deductible expenses that may reduce total gross household income.

2. A **reminder letter** is mailed if IV has not received a response after 45 days. Veteran is provided another opportunity to dispute the information received and/or to submit documented deductible expenses.
3. A **decision letter** is mailed explaining the copay determination if IV has not received a response after 75 days from the date of the initial letter.

**It is very important that Veterans respond promptly to an IV letter.** The average life cycle for an IV case is 75 days. **If there is no response**, VA will use the IRS and SSA reported income to determine Veterans' copay status, that can affect enrollment priority group status, and continued enrollment.

**NOTE:** In 2003, VA made the difficult decision to stop enrolling new Priority Group (high income) Veterans in order to assure all Veterans are provided timely and quality medical care. New regulations took effect on June 15, 2009 that allow VA to reopen enrollment healthcare to Veterans who had been precluded from enrolling. Those affected do not have service-connected disabilities and have incomes that exceed the National Means Test and/or Geographic Means Test thresholds. More than 266,000 Veterans may now be eligible for enrollment.

## Frequently Asked Questions

### What Is Income Verification (IV)?

IV is a process that independently verifies the financial information used to determine your eligibility for VA health care services, your copay status and your enrollment priority assignment.

### How Does VA Verify My Income? Does VA Have Access To My Income Tax Return?

VA receives Federal Tax Information (FTI) from IRS and SSA of non-service connected and zero percent service connected veterans who are required to complete an annual means. VA does not have access to your income tax return information. IRS and SSA share earned and unearned income information reported by employers and financial institutions. VA is required by law to independently verify this information before making a final benefit determination.

### What Do You Mean By Earned And Unearned Income?

Earned income is usually wages received from working. Unearned income may be interest earned, dividends received, money from retirement funds, Social Security payments, annuities, or earnings from other assets.

### What Happens If Federal Tax Information Is Determined To Be Higher Than The Income Threshold?

You will be provided an opportunity to review the data reported by IRS and SSA and provide information regarding any discrepancies and to submit evidence of allowable deductible expenses. However, if your total gross household income is still above the threshold, your copay responsibility and enrollment priority status may be changed. VA facilities that provided your care may charge you copays for medical care you have received. In addition, if your initial application for VA Health Care Benefits was after January 16, 2003 you may not be able to continue to receive VA medical care, even if you agree to make copays.

## Whose Income Will Be Verified?

Most nonservice-connected (NSC) and noncompensable 0% service-connected (SC) Veterans who report total gross household income under the VA national income thresholds may be subject to income verification.

### Why Is My Prior Year Income Verified?

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

### What Is Total Gross Household Income?

It is earned and unearned income from all sources of the Veteran, spouse and their dependent(s) before any deductions.

### Why Does VA Need The Social Security Number (SSN) Of My Spouse?

Your spouse's SSN is needed to allow VA to obtain and verify your gross household income information.

### As A Combat Veteran, Am I Required To Provide My Financial Information? Will I Be Billed For Health Care Services?

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

- Veterans who were discharged from active duty on or after January 28, 2003 for 5 years post discharge.
- Veterans discharged from active duty before January 28, 2003, who apply for enrollment on or after January 28, 2008 until January 27, 2011.

During this period of enhanced benefits eligibility, combat Veterans are not required to disclose their household income information, but may do so to determine their eligibility for a higher priority, beneficiary travel benefits and exemption of copays for care unrelated to their military service.

### I Received A Letter Saying VA Could Not Verify My SSN. What Does That Mean?

When VA attempts to confirm the SSN we have for you in VA records with SSA records, your name and date of birth (DOB) are also provided as additional information. Some times, the SSN matches but the name or DOB may not. We must then ask you to clarify any difference.

### If I Decline To Provide Income And Agree To Make Copays, Will VA Still Verify My Income Information?

No, if you agree to make copays for care, you are not required to provide your income information. VA will not make any further attempts to verify your income.

## What If I Receive A Copay Bill And Cannot Pay?

There are three options if a Veteran is unable to pay the assessed copay charges:

1. Request a Waiver of Debt for past debts you owe. A Waiver of Debt can be granted when there has been a significant change in income and the Veteran has experienced significant expenses for medical care for the Veteran or other family members, funeral arrangements or Veteran educational expenses. A Waiver of Debt excuses all existing bills, but does not prevent future charges.

A waiver must be requested in writing by completing VA Form 5655, Financial Status Report. The request must specify each copayment for which a waiver is being requested. There is no limit on the amount that the Veteran can request to be waived. The Veteran must request a waiver in writing within 180 days from the date on the bill.

To request a waiver, and for more information, contact the Revenue Coordinator at the VA health care facility where the Veteran receives their care.

2. Request a Hardship Determination to prevent future billing. A Hardship Determination is an exemption from copay for a determined period of time. If a Veteran's current year income is substantially reduced from the prior year, a Veteran may request a Hardship Determination.

Hardship Determination must be requested in writing. To request a Hardship Determination, contact the Enrollment Coordinator at the VA Medical Center where the Veteran receives their care.

3. Request an Offer in Compromise. An Offer in Compromise is an offer for past debts only and acceptance of a partial payment in settlement and full satisfaction of the debt at the time the offer is made. VA will consider both the current and anticipated future income in making these determinations. Most Offers in Compromise that are accepted must be for a lump sum payment payable in full 30 days from the date of acceptance of the offer.

Offers in Compromise must be requested in writing and by completing VA Form 5655, Financial Status Report. There is no limit on the amount that the Veteran can request for the Offer in Compromise. To request an Offer in Compromise, contact the Revenue Office at the VA Medical Center where the Veteran receives their care.

## For More Information:

If you have additional questions, please contact HEC Income Verification Division toll-free at 1-800-929-VETS (8387).

Current Copay Information can be found on line at <http://www.va.gov/healthbenefits/cost/copays.asp>