



Veterans' Disability Compensation and Pensions

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 veterans with low income and to 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' Disability Compensation and Pension Programs

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2029	2025-2034
DISABILITY COMPENSATION													
Millions of dollars, by fiscal year													
Veterans													
Outlays Estimated in Baseline	144,576	168,174	180,576	193,650	223,745	197,878	225,872	235,849	246,103	278,257	271,946	964,023	2,222,050
Adjustment for Payday Shift ^a	<u>12,219</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-17,981</u>	<u>17,981</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-21,404</u>	<u>-3,975</u>	n.a	n.a
Total Benefits for Veterans	156,795	168,174	180,576	193,650	205,764	215,859	225,872	235,849	246,103	256,852	267,971	n.a	n.a
Number of Veterans (Thousands of people)	5,951	6,233	6,556	6,864	7,128	7,328	7,491	7,641	7,787	7,929	8,069	n.a	n.a
Average Annual Benefit (Dollars)	26,348	26,981	27,544	28,211	28,867	29,457	30,152	30,868	31,606	32,392	33,210	n.a	n.a
Survivors													
Outlays Estimated in Baseline	10,500	12,110	12,369	12,909	14,870	13,055	15,150	15,835	16,667	19,023	18,782	65,313	150,770
Adjustment for Payday Shift ^a	<u>887</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1,195</u>	<u>1,195</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1,463</u>	<u>-275</u>	n.a	n.a
Total Benefits for Survivors	11,387	12,110	12,369	12,909	13,675	14,250	15,150	15,835	16,667	17,560	18,507	n.a	n.a
Number of Survivors (Thousands of people)	522	534	557	568	589	600	624	638	657	677	698	n.a	n.a
Average Annual Benefit (Dollars)	21,813	22,678	22,207	22,726	23,218	23,750	24,279	24,819	25,368	25,938	26,514	n.a	n.a
Total Outlays for Disability Compensation	155,075	180,284	192,945	206,559	238,616	210,934	241,022	251,684	262,770	297,280	290,728	1,029,338	2,372,822
VETERANS' PENSIONS													
Millions of dollars, by fiscal year													
Veterans													
Outlays Estimated in Baseline	1,765	1,778	1,641	1,512	1,498	1,173	1,178	1,084	1,056	1,064	914	7,602	12,898
Adjustment for Payday Shift ^a	<u>160</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-107</u>	<u>107</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-76</u>	<u>-10</u>	n.a	n.a
Total Benefits for Veterans	1,925	1,778	1,641	1,512	1,391	1,280	1,178	1,084	1,056	988	904	n.a	n.a
Number of Veterans (Thousands of people)	138	124	112	101	91	82	74	66	60	54	48	n.a	n.a
Average Annual Benefit (Dollars)	13,927	14,291	14,648	14,990	15,322	15,659	16,003	16,356	17,694	18,391	18,699	n.a	n.a
Survivors													
Outlays Estimated in Baseline	1,015	1,015	930	850	836	650	648	591	581	585	498	4,281	7,184
Adjustment for Payday Shift ^a	<u>92</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-59</u>	<u>59</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-42</u>	<u>-5</u>	n.a	n.a
Total Benefits for Survivors	1,107	1,015	930	850	776	709	648	591	581	543	493	n.a	n.a
Number of Survivors (Thousands of people)	98	87	78	70	62	56	50	44	40	36	32	n.a	n.a
Average Annual Benefit (Dollars)	11,330	11,626	11,917	12,195	12,465	12,740	13,020	13,306	14,637	15,294	15,531	n.a	n.a
Total Outlays for Veterans' Pensions	2,780	2,793	2,571	2,362	2,333	1,823	1,825	1,675	1,637	1,648	1,412	11,882	20,081

Components may not sum to totals because of rounding; n.a. = not applicable.

a. 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 2028 and 2033 and one fewer paycheck in fiscal years 2024 and 2029.