STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES
'44 P Street, Sacramento, CA 95814

January 24, 1994

ALL COUNTY LETTER NO. 94-06

TO: ALL-COUNTY WELFARE DIRECTORS

Reason for this Transmittal
[ ] State Law Change
[ ] Federal Law Change
[ ] Court Order or Settlement Agreement
[X] Clarification Requested by One or More Counties
[ ] Initiated by CDSS

SUBJECT: TREATMENT OF VETERANS' AFFAIRS EDUCATIONAL BENEFITS

REFERENCE: Manual Sections (MS) 63-502.145, 63-502.2(e), and 63-501.1

The purpose of this All County Letter (ACL) is to provide instructions for treatment of certain types of veterans' educational benefits in the Food Stamp Program. Only the types of assistance that are likely to be encountered by County Welfare Departments (CWD) are addressed in this ACL.

TYPES OF ASSISTANCE

VETERANS' EDUCATIONAL ASSISTANCE PROGRAM (VEAP), CHAPTER 32, POST VIETNAM ERA

This program was available to persons who entered active military service between January 1, 1977 and June 30, 1985. A service person voluntarily contributed to the VEAP educational fund. Veterans who participated are entitled to receive educational benefits from the Veterans Affairs (VA) up to a period of ten years after date of discharge. Benefits received under VEAP consist of the veteran's contribution and matching funds provided by the VA. The VA contributes approximately $2 for every $1 previously contributed by the veteran. The veteran may receive up to thirty-six months of educational benefits under VEAP.

The Food and Nutrition Service (FNS) has verified that the funds contributed by the veteran should be treated as a resource. If the money is used for educational expenses, only the matching funds provided by the government would be considered educational income. If the money is not used for educational purposes, no matching funds are provided by the government. The check received by the veteran does not distinguish between the sources of funding of the VEAP benefits, i.e., veteran's contribution vs. VA contribution. Therefore, it is necessary to contact the regional office of the Department of Veterans Affairs, Benefits Information and Assistance Section, to determine the portion of the VEAP benefit funded by the VA on behalf of the veteran. The information can be obtained by providing the name and Social Security Number of the veteran.

(NOTE: These instructions supersede previous Food Stamp policy which stated that the entire amount distributed, both the veteran's contribution and VA matching funds, less allowable exclusions was treated as income. The previous policy was not disseminated to all counties via formal correspondence, rather, the information was given only to those counties which had a particular question concerning VEAP benefits.)

Educational assistance received under the five programs discussed below is treated differently from VEAP payments. The amount of educational assistance, less excludable expenses as indicated in M.S. 63-502.2(e) is counted as income.

U.S. DEPARTMENT OF VETERANS' AFFAIRS VOCATIONAL REHABILITATION PROGRAM (Chapter 31)

This program is available to certain veterans who have a service-connected disability of 20 percent or greater. The date of entry to active service is not considered. The program provides a fixed monthly stipend, the amount of which is dependent upon the veteran's classification as a full-time, three-quarter-time, or half-time student. The VA pays the school directly for the cost of tuition, books, supplies, and tutorial or special assistance.

MONTGOMERY GI BILL (Chapter 30)

This program is available to persons who entered active military service on or after July 1, 1985. The service person must participate in a pay reduction program, whereby he/she agrees to serve for reduced wages. The educational benefit is not directly related to the funds withheld from wages. Rather, the monthly payment rate will vary with the length and type of service.

RESERVISTS MONTGOMERY GI BILL (Chapter 106)

Enlistment or extension for six years of reserve duty after July 1, 1985 is required. This program does not require a contribution by the service member.

VIETNAM ERA GI BILL (Chapter 34/30)

This program combines aspects of the Old GI Bill and the current Montgomery GI Bill. It is available to veterans who served prior to December 31, 1976 and remained on active duty until at least July 1, 1987, a minimum of ten and one-half years. Under this program a veteran receives one-half of the amount he/she would have been eligible for under the former GI Bill, plus the full amount of the Montgomery GI Bill. No contributions were made by the veteran.

DEPENDENTS GI BILL (Chapter 35)

A child or spouse of a service-connected deceased or 100-percent-disabled veteran may be eligible for VA educational assistance. Benefits may be used until the dependent, child or spouse, has reached the age of 26 or for eight years from the date the Veterans Affairs eligibility was determined, whichever is later.

If you have any questions or comments, please contact Maria Tarango of the Food Stamp Policy Implementation Unit at (916) 654-1883.

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c: CWDA