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Pension Poaching: The Latest Threat to Veterans' Financial Security



Posted by Christina Tetreault in [Uncategorized](#) | [No Comments](#) »

by guest blogger *Shawna Reeves*

How low can scammers go? Unscrupulous life insurance agents, financial planners, and attorneys are promising to qualify senior and disabled veterans for a means-tested Veterans Administration benefit called Aid and Attendance. (For examples, see [here](#) and [here](#).) Veterans are coaxed into locking up their hard-earned savings and assets into deferred annuities and irrevocable trusts so that they can qualify for the benefit by looking impoverished on paper. This dangerous financial move may prevent the veterans from accessing funds for their immediate health care needs or from qualifying for Medicaid. It can also lock up money that could be used for home repair, food, clothing, or other daily necessities. **We'd say that's pretty low.**

What is Veterans Aid and Attendance?

The Aid and Attendance program is a lifeline for financially struggling veterans and surviving spouses of veterans with high care needs. Those who qualify for the benefit may be homebound or require daily help with bathing, toileting, feeding, or dressing. Aid and Attendance dollars can be used to pay for care in the home, at a nursing home, or in an assisted living facility. For more

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information on the benefit, see these FAQs from the [VA](#) and [California Advocates for Nursing Home Reform](#).

What is “Pension Poaching”?

The application process for the VA’s Aid and Attendance program can seem complicated to consumers. Pension poachers exploit this worry by promising to help veterans qualify for the benefit, when their real goal is to gain access to the veterans’ personal financial information. **Exploiting loopholes** in the VA’s rules, pension poachers have unearthed a golden sales opportunity to peddle expensive financial and legal products. Sadly, veterans who follow their advice face staggering fees if they need to break those high-commission annuity contracts or unwind those expensive trusts.

What can I do to protect myself or my loved ones?

Just because a person claims to be an expert in veterans’ benefits, elder law or financial planning, don’t expect them to act in your **best interest**. Even if they are **accredited** by the VA – remain skeptical. Also understand that financial predators target places where seniors congregate, such as assisted living facilities, senior centers, churches and Legion Halls. Seniors should exercise extreme caution around anyone posing as a VA benefits advocate, volunteer or educator. Here’s a tip: Veterans can get free help preparing VA pension paperwork through their local **Veterans Services Organization**. For more details, see [this advice](#) from the Federal Trade Commission (FTC).

Have you been a victim?

Seek legal help and be sure to file a complaint with your state’s attorney general (you can click [here](#) and on the lower left side is an interactive map that you can click to find your AG’s office), and with the **FTC**. If you think your lawyer and/or insurance agent acted unethically, also file a complaint with your state’s **insurance regulator** and with the state **bar association**. **Also, please share your story with us [here](#).**

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PENSION

ENHANCED OR SPECIAL MONTHLY PENSION (AID AND ATTENDANCE OR HOUSEBOUND)

WHAT IS ENHANCED OR SPECIAL MONTHLY PENSION?

AID AND ATTENDANCE (A&A)

A&A is an increased monthly pension amount paid to a Veteran or surviving spouse. You may be eligible if:

- You require the aid of another person in order to perform activities of daily living, such as bathing, feeding, dressing, toileting, adjusting prosthetic devices, or protecting yourself from the hazards of your daily environment, **OR**
- You are bedridden, in that your disability or disabilities requires that you remain in bed apart from any prescribed course of convalescence or treatment, **OR**
- You are a patient in a nursing home due to mental or physical incapacity, **OR**
- You have corrected visual acuity of 5/200 or less in both eyes or concentric contraction of the visual field to 5 degrees or less.

HOUSEBOUND

Housebound is an increased monthly pension amount paid to a claimant who is substantially confined to his or her home because of permanent disability. Additionally, if you are a Veteran, you may qualify for the increased housebound amount if:

- You have a single permanent disability evaluated as 100-percent disabling **AND**, due to such disability, you are permanently and substantially confined to your immediate premises, **OR**,
- You have single permanent disability evaluated as 100-percent disabling **AND**, another disability, or disabilities, evaluated as 60-percent or more disabling.

You may not receive enhanced or special monthly pension without first establishing eligibility for VA pension. However, because enhanced pension is based upon a higher income limit, a claimant



Disabilities determined by VA to be related to your military service can lead to monthly non-taxable compensation, enrollment in the VA health care system, a 10-point hiring preference for federal employment and other important benefits. Ask your VA representative or Veterans Service Organization representative about Disability Compensation, Pension, Health Care, Caregiver Program, Career Services, Educational Assistance, Home Loan Guaranty, Insurance and/or Dependents and Survivors' Benefits.



U.S. Department
of Veterans Affairs

ineligible for basic pension due to excessive income may be eligible for increased pension benefits. You may not receive pension at the A&A and Housebound rate at the same time.

HOW TO APPLY FOR AID AND ATTENDANCE AND HOUSEBOUND:

- You may apply for pension at the A&A or Housebound rate by sending a completed [VA Form 21-2680, Examination for Housebound or Permanent Need for Regular Aid and Attendance](#), to the [Pension Management Center \(PMC\)](#) having jurisdiction over your claim. If you do not know which [PMC](#) has jurisdiction over your claim, you may submit your request to the VA Regional Office closest to your current residence. A directory of VA regional offices is available at [Directory of VA Regional Offices](#).
- You should also provide copies of any evidence that would help establish that you need A&A or are Housebound. Such evidence would include a report from your physician validating the need for aid and attendance or demonstrating that you are housebound.

Note: If you are not currently receiving VA pension benefits, you must attach a completed application to the [VA Form 21-2680](#) in order for VA to make a decision on your claim.

For Veterans:

- [VA Form 21-526, Veteran's Application for Compensation and/or Pension](#) or [VA Form 21-526EZ, Application for Disability Compensation Benefits](#)
- [VA Form 21-527, Income, Net Worth, and Employment Statement](#) or [VA Form 21-527EZ, Application for Pension](#)

For survivors:

- [VA Form 21-534, Application for Dependency and Indemnity Compensation \(DIC\), Death Pension and Accrued Benefits by a Surviving Spouse or Child \(including death compensation if applicable\)](#) or [VA Form 21-534EZ, Application for DIC, Death Pension, and/or Accrued Benefits](#)

HOW MUCH DOES VA PAY?

All pension rate tables, including the A&A and housebound rates:

- [Veterans pension](#) or
- [Survivors pension](#)





Fighting Pension Poaching Scams Against Elder Veterans in San Francisco



**Presented at the NAPSA Conference
Philadelphia, PA, August 31, 2016**

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With Special Guest



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Veterans Aid and Attendance



Veterans Aid and Attendance



Is not a scam!

Veterans Aid and Attendance Scams (aka “Pension Poaching”)



Tired of Declining Seminar Attendance?

Little-Known Veterans Benefit Rule Attracts
Prospects with **\$350,000 in Assets** –
and Your Seminar is **100% PAID FOR!**

Veterans have **\$350,000** in Assets on average*

Veterans Aid and Attendance Scams (aka “Pension Poaching”)



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The Origin Story

Veterans Aid and Attendance Scam (aka “Pension Poaching”)



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- Veterans benefits “experts” promise to qualify elders for the Aid and Attendance benefit.
 - These “experts” may or may not be insurance agents, and they often self-identify as volunteers or retired County Veterans Service Officers.
 - VA accredited attorneys → assets into irrevocable trusts
 - Veterans benefits “experts” → hard-earned money into annuities
- By putting assets into annuities or irrevocable trusts (and sometimes both), the seniors are tying up money they may need down the road for care.
- Also, the elder may not be able to qualify for Medicaid.

WHY are veterans targeted?
HOW are they targeted?



Latest trends...



Loans

Home care

Hospice

Latest trends...



Latest & Greatest in California Senior Veteran Protections

SB 272 (Corbett): Military Endorsements / Advertising (2014)

Expands deceptive advertising prohibitions in SB 1170 to include seals, emblems and insignias that would imply a federal, state or local government connection.

SB 1184 (Corbett): Veterans Benefits / Senior Insurance (2013)

Prohibits insurance agents from assisting senior veterans in obtaining government benefits unless there is no direct financial benefit to the agent.

SB 1170 (Leno): Veterans Benefits / Advertising (2013)

Prohibits deceptive marketing and sales practices associated with those who assist veterans in obtaining government benefits. Prohibits use of words or symbols in advertisements that would imply sponsorship or endorsement by a veterans organization or Department of Veterans Affairs. **ALSO** prohibits delivery of legal trusts by insurance agents.

Veterans Aid and Attendance Qualification Changes on the Horizon



Veterans Pension Protection Act of 2013

Additional Federal Legislation



Veterans **Care** Protection Act of 2016

Proposed Veterans Affairs Department Rule Changes



1) 36 month look back

2) 10 year penalty

ENTER... The San Francisco Veterans Benefits Protection Program!



- Coalition to educate elders about veterans benefits scams, including how to avoid them
- Direct elders who have already been scammed to legal and/or regulatory resources
- Connect elders who wish to apply for the Veterans Aid and Attendance benefit to the local County Veterans Service Office (CVSO)

Key Stakeholders



- Institute on Aging
- San Francisco Department of Aging and Adult Services
- San Francisco County Veterans Service Office
- California Advocates for Nursing Home Reform
- California Department of Insurance
- California Attorney General's Office

Veterans Aid and Attendance Benefit—Pension Poaching

How it should work:

- Client becomes aware of benefits
- Contacts and works directly with Veterans Affairs or County Veterans Service Office (CVSO) to review qualifications

- CVSO assists with filling in all forms and application submission

- VA approves benefit
- Veteran receives benefit

For help, contact the County Veterans Service Office:

San Francisco: (415)934-4200
Nationally: (800)807-5799

For more information or feedback, call the Institute on Aging's Elder Abuse Prevention Program: (415) 750-4187 or go to California Advocates for Nursing Home Reform (CANHR) at <http://www.canhr.org/>

ELIGIBILITY
OUTREACH

APPLY

RECEIVE
BENEFIT

FRAUD
DETECTION

TAKE
ACTION

The scam:

- Scammer does direct mail, phone calls, or seminars to veterans
- Client becomes aware of benefits
- Scammer establishes credibility

- Scammer establishes credibility
- Scammer has veteran reallocate assets to prepare for application
- Client is assisted with application process

- VA approves benefit
- Veteran receives benefit

- Veteran cannot access the reallocated assets
- VA Audit
- Veteran ineligible for other government benefits

- Report scammers and file complaints to:
 - CDI: (800) 927-4357; <http://www.insurance.ca.gov/01-consumers/101-help/>
 - AG: <https://oag.ca.gov/consumers>

Who are the scammers:

- ⇒ "Non Profit Volunteer"
- ⇒ "VA Attorney"
- ⇒ Sales representatives at Senior Center & Assisted Living Facility

- ⇒ Irrevocable trusts
- ⇒ Deferred or Immediate Annuity
- ⇒ Gifting

- ⇒ Scammers move on to their next victims

- ⇒ Incident occurs that family needs money
- ⇒ Family suspicious of transactions
- ⇒ Interferes with other government benefits

- ⇒ Call Adult Protective Services (APS) or Ombudsman
- ⇒ Dept. of Insurance (CDI)
- ⇒ Attorney General (AG)

Everybody: Are you saying the Veterans
Aid and Attendance benefit is a scam?

Veterans Services



Honoring Those Who Served

QUESTIONS?



Keep in
touch

THANK YOU!



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