



DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Washington, D.C. 20420

November 30, 2011

Director (00/21PF)
All VA Regional Offices and Centers

In Reply Refer To: 21P1
Fast Letter 11-34

SUBJ: December 1, 2011, Pension and Parents' DIC Cost-of-Living Adjustment

Enclosed with this letter are charts showing the 2011 cost-of-living adjustment (COLA) for pension and parents' dependency and indemnity compensation (DIC) recipients.

1. The 2011 COLA for pension and parents' DIC recipients is scheduled to run after the last November cycle. VA and Social Security Administration beneficiaries will receive a 3.6 % increase effective December 1, 2011.
2. The standard Medicare deduction effective December 1, 2011, is \$99.90.
3. For BDN, any awards GAP'd on or after November 18, 2011, will require manual entry for a December 1, 2011, line.
4. "Not adjusted" writeouts generated as a result of COLA processing should be worked under end product (EP) 696.
5. VETSNET awards that were generated but not authorized/concurred by close of business on November 18, 2011, will not be adjusted. A work item (850A-Legislative Adjustment Required) will be produced for cases that were not automatically updated and that require manual adjustment. After establishing the EP 696, clear the 850 work item using the PCLR reason "Message Received, Worked Under Proper EP" in Share.

Please refer questions concerning this letter to VAVBAWAS/CO/PMC.

/s/

David R. McLenachen
Director
Pension and Fiduciary Service

Enclosures (9)

IMPROVED DISABILITY PENSION

Entitlement Codes
1L, 2L, 3L, 5L, 6L, 7L, and 0L

3.6% Cost-of-Living Increase
Effective 12/1/11

MAXIMUM ANNUAL RATES

					TWO VETERANS MARRIED TO ONE ANOTHER						
Dependency Codes	Veteran PT	Veteran HB	Veteran A&A		Both PT	One HB	Both HB	One A&A	One A&A One HB	Both A&A	Dep Codes
00 Veteran	\$12,256	\$14,978	\$20,447								00
10/81 V-S or V-1C	\$16,051	\$18,773	\$24,239		\$16,051	\$18,773	\$21,494	\$24,239	\$26,955	\$31,578	10
11/82 V-S-1C or V-2C	\$18,144	\$20,866	\$26,332		\$18,144	\$20,866	\$23,587	\$26,332	\$29,048	\$33,671	11
12/83 V-S-2C or V-3C	\$20,237	\$22,959	\$28,425		\$20,237	\$22,959	\$25,680	\$28,425	\$31,141	\$35,764	12
For each additional child - Add	\$2,093	\$2,093	\$2,093		\$2,093	\$2,093	\$2,093	\$2,093	\$2,093	\$2,093	Additional Child
Veterans of Mexican Border Period or WWI	(1)	(1)	(1)		(1)	(1)	(1)	(1)	(1)	(1)	

(1) Add \$2,783 to applicable rate

38 CFR 3.272(j)(1) Exclusion from Child's Earnings

Exclusion	Effective Date	Exclusion	Effective Date
\$7,050	1/1/99	\$8,200	1/1/05
\$7,200	1/1/00	\$8,450	1/1/06
\$7,450	1/1/01	\$8,750	1/1/07
\$7,700	1/1/02	\$8,950	1/1/08
\$7,800	1/1/03	\$9,350	1/1/09
\$7,950	1/1/04	\$9,750	1/1/12

PL 105-178 increased A/A rates for surviving spouses of SAW veterans effective 10/1/98.

IMPROVED DEATH PENSION

Entitlement Codes

1D, 2D, 3D, 5D, 6D, 7D, and 0D

3.6 % Cost-of-Living Increase

Effective 12/1/11

MAXIMUM ANNUAL RATES

Dep	Codes	Surviving Spouse	Surviving Spouse + HB	Surviving Spouse + A/A	Dep	Codes
10	SS	\$8,219	\$10,046	\$13,138	10	SS
11	SS-1C	\$10,759	\$12,582	\$15,673	11	SS-1C
12	SS-2C	\$12,852	\$14,675	\$17,766	12	SS-2C
13	SS-3C	\$14,945	\$16,768	\$19,859	13	SS-3C
For each additional child - Add		\$2,093	\$2,093	\$2,093	For each additional child - Add	

Dep	Codes	Child Only	Dep	Codes
81	1C	\$2,093	81	1C
82	2C	\$4,186	82	2C
83	3C	\$6,279	83	3C
84	4C	\$8,372	84	4C
For each additional child - Add		\$2,093		

SBP/MIW ANNUITY LIMITATION

Amount	Effective Date
\$8,219	12/1/11

38 CFR 3.272(j)(1) DEDUCTION FROM CHILD'S EARNED INCOME

Exclusion	Effective Date	Exclusion	Effective Date
\$6,800	1/1/97	\$7,950	1/1/04
\$6,950	1/1/98	\$8,200	1/1/05
\$7,050	1/1/99	\$8,450	1/1/06
\$7,200	1/1/00	\$8,750	1/1/07
\$7,450	1/1/01	\$8,950	1/1/08
\$7,700	1/1/02	\$9,350	1/1/09
\$7,800	1/1/03	\$9,750	1/1/12

SURVIVING	SPOUSE OF SAW	VETERAN*
Dependency	Codes	A/A Rate
10	SS	\$13,671
11	SS-1C	\$16,149
12	SS-2C	\$18,242
For each additional	child add	\$2,093

PL 105-178 increased A/A rates for surviving spouses of SAW veterans effective 10/1/98.

SECTION 306 DEATH PENSION

**Entitlement Codes
18,28,38,58,68, and 78**

**3.6 % Cost-of-Living Increase
Effective 12/1/11**

SURVIVING SPOUSE ONLY

The rate entitled to on December 31, 1978, may be continued if the surviving spouse's IVAP for 2011 is \$13,941 or less.

CHILDREN ONLY

The rate entitled to on December 31, 1978, may be continued if the child's IVAP for 2011 is \$11,398 or less.

SURVIVING SPOUSE AND CHILDREN

The rate entitled to on December 31, 1978, may be continued if the surviving spouse's IVAP for 2011 is \$18,739 or less.

SBP/MIW ANNUITY LIMITATION

Amount	Effective Date
\$8,219	12/1/11

OLD LAW DEATH PENSION
(Entitlement Established Prior to 7/1/60)

Entitlement Codes
 16, 26, and 36

INCOME LIMITATIONS

Income Limits				Income Limits				Income Limits		
Effective Date	Surviving Spouse Only or Each Child (No Surviving Spouse)	Surviving Spouse (With Child or Children)		Effective Date	Surviving Spouse Only or Each Child (No Surviving Spouse)	Surviving Spouse (With Child or Children)		Effective Date	Surviving Spouse Only or Each Child (No Surviving Spouse)	Surviving Spouse (With Child or Children)
PL 95-588 1/1/79	\$3,534	\$5,098		4.7% COL 12/1/89	\$6,738	\$9,716		3.5% COL 12/1/00	\$9,265	\$13,357
9.9% COL 6/1/79	\$3,884	\$5,603		5.4% COL 12/1/90	\$7,102	\$10,241		2.6% COL 12/1/01	\$9,516	\$13,719
14.3% COL 6/1/80	\$4,440	\$6,405		3.7% COL 12/1/91	\$7,365	\$10,620		1.4% COL 12/1/02	\$9,650	\$13,912
11.2% COL 6/1/81	\$4,938	\$7,123		3.0% COL 12/1/92	\$7,586	\$10,939		2.1% COL 12/1/03	\$9,853	\$14,205
7.4% COL 6/1/82	\$5,304	\$7,651		2.6% COL 12/1/93	\$7,784	\$11,224		2.7% COL 12/1/04	\$10,120	\$14,589
3.5% COL 12/1/83	\$5,490	\$7,919		2.8% COL 12/1/94	\$8,002	\$11,539		4.1% COL 12/1/05	\$10,535	\$15,188
3.5% COL 12/1/84	\$5,683	\$8,197		2.6% COL 12/1/95	\$8,211	\$11,840		3.3% COL 12/1/06	\$10,883	\$15,690
3.1% COL 12/1/85	\$5,860	\$8,452		2.9. % COL 12/1/96	\$8,450	\$12,184		2.3% COL 12/1/07	\$11,134	\$16,051
1.3% COL 12/1/86	\$5,937	\$8,562		2.1 % COL 12/1/97	\$8,628	\$12,440		5.8% COL 12/1/08	\$11,780	\$16,982
4.2% COL 12/1/87	\$6,187	\$8,922		1.3% COL 12/1/98	\$8,741	\$12,602		3.6% COL 12/1/11	\$12,205	\$17,594
4.0% COL 12/1/88	\$6,435	\$9,279		2.4% COL 12/1/99	\$8,951	\$12,905				

SBP/MIW ANNUITY LIMITATION

Amount	Effective Date		Amount	Effective Date		Amount	Effective Date
\$4,292	12/01/88		\$5,649	12/01/96		\$6,634	12/01/03
\$4,496	12/01/89		\$5,688	07/01/97		\$6,814	12/01/04
\$4,741	12/01/90		\$5,808	12/01/97		\$7,094	12/1/05
\$4,918	12/01/91		\$5,884	12/01/98		\$7,329	12/1/06
\$5,067	12/01/92		\$6,026	12/01/99		\$7,498	12/1/07
\$5,200	12/01/93		\$6,237	12/01/00		\$7,933	12/1/08
\$5,347	12/01/94		\$6,407	12/01/01		\$8,219	12/1/11
\$5,488	12/01/95		\$6,497	12/01/02			

See M21-1, Part I, Appendix B, pages II-2 and II-3 for Old Law Death Pension rates.

DEPENDENCY AND INDEMNITY COMPENSATION
(38 U.S.C. 1315)
PARENT RATES

Entitlement Codes
17, 27, 37, 47, 57, 67,
77, 87, 97, 07, and 99

3.6% Cost-of-Living Increase
Effective 12/1/11

Sole Surviving Parent
Unremarried or Remarried Living with Spouse

Total Dep. Code 50/60 This Dep. Code 50/60 or 52/62		
Income Not Over	Monthly Rate	Each \$1 Decrement
\$800	\$590	None
900	582	.08
1000	574	
1100	566	
1200	558	
1300	550	
1400	542	
1500	534	
1600	526	
1700	518	
1800	510	
1900	502	
2000	494	
2100	486	
2200	478	
2300	470	
2400	462	
2500	454	
2600	446	
2700	438	
2800	430	
2900	422	
3000	414	
3100	406	
3200	398	
3300	390	
3400	382	
3500	374	
3600	366	
3700	358	
3800	350	
3900	342	
4000	334	
4100	326	
4200	318	
4300	310	
4400	302	
4500	294	
4600	286	
4700	278	

Total Dep. Code 50/60 This Dep. Code 50/60 or 52/62		
Income Not Over	Monthly Rate	Each \$1 Decrement
4800	\$270	
4900	262	
5000	254	
5100	246	
5200	238	
5300	230	
5400	222	
5500	214	
5600	206	
5700	198	
5800	190	
5900	182	
6000	174	
6100	166	
6200	158	
6300	150	
6400	142	
6500	134	
6600	126	
6700	118	
6800	110	
6900	102	
7000	94	
7100	86	
7200	78	
7300	70	
7400	62	
7500	54	
7600	46	
7700	38	
7800	30	
7900	22	
8000	14	
8100	6	
8112	5.04	
8113 to ** **	5	None
If living with spouse		\$ 18,739
If not living with spouse		\$ 13,941
If A&A add	\$320	

DEPENDENCY AND INDEMNITY COMPENSATION
(38 U.S.C. 1315)
PARENT RATES

Entitlement Codes
17, 27, 37, 47, 57, 67,
77, 87, 97, 07, and 99

3.6% Cost-of-Living Increase
Effective 12/1/11

One of Two Parents
Not Living with Spouse

Total Dep. Code 70 This Dep. Code 50/60		
Income Not Over	Monthly Rate	Each \$1 Decrement
\$800	\$427	None
900	421	.06
1000	414	.07
1100	407	
1200	399	.08
1300	391	
1400	383	
1500	375	
1600	367	
1700	359	
1800	351	
1900	343	
2000	335	
2100	327	
2200	319	
2300	311	
2400	303	
2500	295	
2600	287	
2700	279	
2800	271	
2900	263	
3000	255	
3100	247	
3200	239	
3300	231	
3400	223	
3500	215	
3600	207	
3700	199	

Total Dep. Code 70 This Dep. Code 50/60		
Income Not Over	Monthly Rate	Each \$1 Decrement
\$3800	\$191	.08
3900	183	
4000	175	
4100	167	
4200	159	
4300	151	
4400	143	
4500	135	
4600	127	
4700	119	
4800	111	
4900	103	
5000	95	
5100	87	
5200	79	
5300	71	
5400	63	
5500	55	
5600	47	
5700	39	
5800	31	
5900	23	
6000	15	
6100	7	
6124	5.08	
6125	5	None
to		
13,941		
If A & A add	\$320	

DEPENDENCY AND INDEMNITY COMPENSATION
(38 U.S.C. 1315)
PARENT RATES

Entitlement Codes
17, 27, 37, 47, 57, 67
77, 87, 97, 07, and 99

3.6% Cost-of-Living Increase
Effective 12/1/11

One of Two Parents
Living with Spouse or Other Parent

Total Dep. Code 70		
This Dep. Code		
With Other Parent: 51/61		
Remarried With Spouse: 52/62		
Income	Monthly	Each \$1
Not Over	Rate	Decrement
\$1000	\$401	None
1100	398	.03
1200	395	
1300	392	
1400	389	
1500	386	
1600	382	.04
1700	378	
1800	374	
1900	370	
2000	365	.05
2100	360	
2200	355	
2300	350	
2400	345	
2500	339	.06
2600	333	
2700	327	
2800	321	
2900	315	
3000	308	.07
3100	301	
3200	294	
3300	286	.08
3400	278	
3500	270	
3600	262	
3700	254	
3800	246	
3900	238	
4000	230	
4100	222	

Total Dep. Code 70		
This Dep. Code		
With Other Parent: 51/61		
Remarried With Spouse: 52/62		
Income	Monthly	Each \$1
Not Over	Rate	Decrement
4200	\$214	.08
4300	206	
4400	198	
4500	190	
4600	182	
4700	174	
4800	166	
4900	158	
5000	150	
5100	142	
5200	134	
5300	126	
5400	118	
5500	110	
5600	102	
5700	94	
5800	86	
5900	78	
6000	70	
6100	62	
6200	54	
6300	46	
6400	38	
6500	30	
6600	22	
6700	14	
6800	6	
6812	5.04	
6813	5	None
to		
\$18,739		
If A/A		
Add	\$320	

SECTION 306 DISABILITY PENSION

Entitlement Codes
14, 24, 34, 64, and 74

3.6 % Cost-of-Living Increase
Effective 12/1/11

VETERAN ONLY

The rate entitled to on December 31, 1978, may be continued if the veteran's IVAP for 2011 is \$13,941 or less.

Special A/A Allowance When Income Exceeds \$13,941. The rate entitled to on December 31, 1978, may be continued if the veteran's IVAP for 2011 is \$14,441 or less.

38 CFR 3.552 Rates (Hospital Reduction) for Special A/A Allowance. The rate entitled to (see 38 CFR 3.552 Rate Chart on page VI (1978) -1) on December 31, 1978, will be paid if the veteran is hospitalized on January 1, 2011, or later and the veteran's IVAP for 2011 is \$14,441 or less.

VETERAN WITH DEPENDENTS

Special A/A Allowance When Income Exceeds \$18,739. The rate entitled to on December 31, 1978, may be continued if the veteran's IVAP for 2011 is \$19,239 or less.

38 CFR 3.552 Rates (Hospital Reduction) for Special A/A Allowance. The rate entitled to (see 38 CFR 3.552 Rate Chart on page VI (1978) -2) on December 31, 1978, will be paid if the veteran is hospitalized on January 1, 2011, or later and the veteran's IVAP for 2011 is \$19,239 or less.

SPOUSE INCOME EXCLUSION UNDER 38 CFR 3.262(b)(2)				
Effective Date	Exclusion		Effective Date	Exclusion
12/1/96	\$3,079		12/1/03	\$3,591
12/1/97	\$3,144		12/1/04	\$3,688
12/1/98	\$3,185		12/1/05	\$3,840
12/1/99	\$3,262		12/1/06	\$3,967
12/1/00	\$3,377		12/1/07	\$4,059
12/1/01	\$3,468		12/1/08	\$4,295
12/1/02	\$3,517		12/1/11	\$4,450

OLD LAW DISABILITY PENSION
WWI, WWII, KOREAN CONFLICT (38 U.S.C. 1521 - Prior to 7/1/60)

Entitlement Codes

12, 22, and 32

[illegible][illegible][illegible]

