

#### 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 VETE	RANS MAR	RIED TO O	NE ANOTH	ER	
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)	

<sup>(1)</sup> 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	Surviving	Surviving		
		Spouse	Spouse +	Spouse +	Dep	Codes
			HB	A/A		
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		\$2,093	\$2,093	\$2,093	For each ad	lditional
child - Ade	d				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 ac	For each additional			
child - Ad	d			

#### SBP/MIW ANNUITY LIMITATION

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

#### 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.

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

Exclusion	<b>Effective Date</b>	Exclusion	<b>Effective Date</b>
\$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

#### **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. C		N/60
-	ode 50/60 or 52	2/62 Each \$1
Income Not Over	Monthly	
\$800	Rate \$590	Decrement None
900	582	.08
1000	574	
1100	566	
1200	558	
1300	550 542	
1400	542	
1500	534	
1600	526	
1700	518	
1800	510 502	
1900	502 494	
2000	494 486	
2100		
2200 2300	478 470	
	470 462	
2400 2500	462	
	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	

T . 1D . 0	1 50/60				
Total Dep. Code 50/60 This Dep. Code 50/60 or 52/62					
Inis Dep. Co	Monthly	Each \$1			
Not Over	Rate	Decrement			
4800	\$270	Decrement			
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	<u> </u>	None			
to **	J	TAOHE			
**					
	epouso	\$ 18,739			
If living with If not living	_	\$ 13,739			
If A&A add	with spouse \$320	φ 13,741			
II A&A add	\$32U				

# 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

-		110			
Total Dep. Code 70					
This Dep. C					
Income	Monthly	Each \$1			
Not Over	Rate	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				

S	pouse								
	Total Dep. Code 70								
	This Dep. Code 50/60								
	Income	Each \$1							
	Not Over	Rate	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							
ļ	6124	5.08							
	6125	5	None						
	to								
	13,941								
	If A & A ac	ld \$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	00							
3300	286	.08							
3400	278								
3500	270								
3600 3700	262 254								
3800	246								
3900 4000	238 230								
4000	230								
4100 222									

ı	mei i ai ent		
	Total Dep. C	ode 70	
	This Dep. Co	ode	
	With Other F	Parent: 51/61	
	Remarried W	ith Spouse: 52	2/62
	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	<b>#220</b>	
	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

12, 22	2, and 32															
Total								ç	9.9%	14.39	%	11.2%	7.4%	3.5%	3.5%	3.1%
Dep.			93-527	94-169	94-432	95-204	95-588	(	COL	COL	,	COL	COL	COL	COL	COL
Code			1/1/75	1/1/76	1/1/77	1/1/78	1/1/79	6	6/1/79	6/1/8	80	6/1/81	6/1/82	12/1/83	12/1/84	12/1/85
	Income Limits															
00	Unmarried Veterans		\$2,600	\$2,900	\$3,100	\$3,300	\$3,53	34	\$3,884	\$4	1,440	\$4,938	\$5,304	\$5,490	\$5,683	\$5,860
10	Veteran and Spouse of	r														
81	Minor Child (no spou	se)	\$3,900	\$4,200	\$4,460	\$4,760	\$5,09	98	\$5,603	\$ \$6	5,405	\$7,123	\$7,651	\$7,919	\$8,197	\$8,452
	Rates Payable															
	Basic Rates		\$66.15	\$66.15	\$66.15	\$66.15	\$66.	15	\$66.13	5 \$6	56.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
	10 Years or Age 65		\$78.75	\$78.75	\$78.75	\$78.75	5 \$78.	75	\$78.75	5 \$7	78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75
	If Entitled to A/A		\$135.45	\$135.45	\$135.45	\$135.45	5 \$135.4	45	\$135.45	\$13	35.45	\$135.45	\$135.45	\$135.45	\$135.45	\$135.45
	If Entitled to HB		\$100.00	\$100.00	\$100.00	\$100.00	\$100.0	00	\$100.00	\$10	00.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
							•									
Total			1.3%	4.2%	4.0%	4.7%	5.4%		3.7%	3.0%		2.6%	2.8%	2.6%	2.9%	2.1%
Dep.			COL	COL	COL	COL	COL		COL	COL		COL	COL	COL	COL	COL
Code			12/1/86	12/1/87	12/1/88	12/1/89	12/1/90	) ]	12/1/91	12/1/	/92	12/1/93	12/1/94	12/1/95	12/1/96	12/1/97
	Income Limits															
00	Unmarried Veterans		\$5,937	\$6,187	\$6,435	\$6,738	3 \$7,10	02	\$7,365	5 \$7	7,586	\$7,784	\$8,002	\$8,211	\$8,450	\$8,628
10	Veteran and Spouse of															
81	Minor Child (no spous	se)	\$8,562	\$8,922	\$9,279	\$9,716	5 \$10,24	41	\$10,620	\$10	),939	\$11,224	\$11,539	\$11,840	\$12,184	\$12,440
	Rates Payable															
	Basic Rates		\$66.15	\$66.15	\$66.15	\$66.15			\$66.15		56.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
	10 Years or Age 65		\$78.75	\$78.75	\$78.75	\$78.75			\$78.75		78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75
	If Entitled to A/A		\$135.45	\$135.45	\$135.45	\$135.45			\$135.45		35.45	\$135.45	\$135.45	\$135.45	\$135.45	\$135.45
	If Entitled to HB		\$100.00	\$100.00	\$100.00	\$100.00	\$100.0	00	\$100.00	\$10	00.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Tota		1.3%	2.40/	2.50/	2.6%	1.4%	2.10/	2.7%	/ 1	10/	2 20/	2.20/	5.8%	2.60/		
		COL	2.4% COL	3.5% COL	COL	COL	2.1% COL	COL		1% OL	3.3% COL		COL	3.6% COL		
Dep.		12/1/98	12/1/99	12/1/00	12/1/01	12/1/02	12/1/03	12/1		2/1/05	12/1				Note: Se	ee M21-1,
	Income Limits	12/1/90	12/1/99	12/1/00	12/1/01	12/1/02	12/1/03	12/1/	./04 1	2/1/03	12/1/	12/1/0	12/1/0	0 12/1/11		page VII-2
00	Unmarried Veterans	\$8,741	\$8,951	\$9,265	\$9,516	\$9,650	\$9,853	\$10.	120 \$	10,535	\$10,	883 \$11,1	34 \$11,78	30 \$12,205		ce Pension
10	Veteran and Spouse or	Φ0,741	\$0,931	\$9,203	\$7,510	\$9,030	\$7,033	φ10,	,120 p	10,333	\$10,	363 \$11,1	34 \$11,70	912,202	rates.	ce i elisioli
81	Minor Child (no spouse)	\$12,602	\$12,905	\$13,357	\$13,719	\$13,912	\$14,205	\$14	,589 \$	15,188	\$15,	590 \$16,0	051 \$16,98	32 \$17,594		
(EP)	Rates Payable	Ψ12,002	Ψ12,703	Ψ1υ,υυ1	Ψ13,/17	Ψ13,714	Ψ17,203	Ψ14,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	12,100	Ψ1.5,	570 \$10,C	νοι ψιυ,σο	Ψ17,334		A&A grant
(L1)	Basic Rates	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$60	6.15	\$66.15	\$60	5.15 \$66	.15 \$66.15	5 \$66.15	by P.L. 1	
-	10 Years or Age 65	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75	\$78.75			\$78.75		3.75 \$78			effective	
BU	If Entitled to A/A	\$135.45	\$135.45	\$135.45	\$135.45	\$135.45	\$135.45			135.45	\$13:					11/1/01
	If Entitled to HB	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00			100.00	\$100					
L	II Ziidida to IID	Ψ100.00	Ψ100.00	Ψ100.00	Ψ100.00	Ψ100.00	Ψ100.00	ΨΙΟ	4	200.00	ΨΙΟ	,,,,,, φ100	.55 φ100.0	φ100.00	·	