

501(C)(3) Veterans Non-Profit

**STATEMENT FOR THE RECORD
PARALYZED VETERANS OF AMERICA
FOR THE
HOUSE VETERANS' AFFAIRS COMMITTEE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
ON
"DOES A TOTAL DISABILITY RATING BASED ON INDIVIDUAL UNEMPLOYABILITY (TDIU)
PROPERLY COMPENSATE TODAY'S VETERANS?"**

JUNE 12, 2024

Chairman Luttrell, Ranking Member Pappas, and members of the subcommittee, Paralyzed Veterans of America (PVA), would like to thank you for the opportunity to submit our views today on Total Disability Ratings based on Individual Unemployability (TDIU). No group of veterans understands the full scope of benefits and care provided by the Department of Veterans Affairs (VA) better than PVA members—veterans who have incurred a spinal cord injury or disorder (SCI/D).

Disabled veterans bring important perspectives to the workplace. However, veterans' success often depends on whether they have access to proper employment services and supports, which are available both inside and outside of the VA. In order to understand the role of TDIU in supporting disabled veterans, the subcommittee must consider these services and supports and whether they are properly meeting veterans' needs.

A PVA National Service Officer (NSO) recently assisted a veteran in receiving TDIU. TDIU is a supplemental program for veterans with combined VA disability ratings that do not equal 100 percent but which impede their ability to maintain meaningful employment. To qualify for TDIU, a veteran must have one service-connected rating of 60 percent or higher or a combined rating of 70 percent with one condition rated at 40 percent or more.

The veteran had been a brick mason most of his adult life, but due to his service-connected disabilities, he was unable to continue performing manual labor. This veteran had applied for and been accepted into the Veteran Readiness and Employment (VR&E) program; however, his counselor determined that not only did his disabilities prevent him from manual labor, but he also was unable to sit for long periods of time.

Clearly, the veteran was eager to find alternative employment, as evidenced by his application for VR&E, but his service-connected disabilities were too significant to find employment that met his needs, and TDIU was his only option. Service-connected disabilities often worsen over time, not always with an increased rating decision. When veterans struggle to work due to their disabilities, they put themselves and others at risk due to their limitations. After confirmation from a medical professional, the veteran was awarded TDIU.

When discussing disabilities and how they impact a veteran's ability to gain employment, we must consider both visible and invisible disabilities. Treatment for conditions which may not physically manifest, such as mental health issues or some chronic illnesses, may require extended periods of stabilization or may be recurring, adding complications to a veteran's employment stability. Often, TDIU might be the most beneficial or even the only option for veterans struggling with periods of health-related hardship and it is critical in helping them remain independent and financially secure.

Employment Participation for Veterans with Disabilities

Some of the most frequently awarded service-connected disabilities, per the *VA Annual Benefits Report of 2023*, are ratings for issues in the knees, the back, or the arms. A smaller percentage of new claims are persistent migraines and post-traumatic stress disorder (PTSD).¹ Each of these prevalent disabilities could significantly impact a veteran's ability to execute the necessary functions of their job.

In data from 2023, published by the Department of Labor's Veterans' Employment and Training Service (DOL VETS), of an estimated 17.8 million veterans living in the U.S., about 8.6 million (48 percent) are in the labor force. Of that 8.6 million, approximately 2.6 million veterans have a service-connected disability rating. Of that 2.6 million, 991,000 identify as a person with a non-service-connected disability. An estimated 500,000 disabled veterans in the labor force report having a service-connected disability rating of 30-50 percent, and 1.3 million report a rating of 60 percent or greater.²

The current veteran unemployment rate is around 3.2 percent, a figure that has remained relatively constant this year. But looking at the unemployment rate for disabled veterans, that number jumps to 5.5 percent and is significantly higher for severely disabled veterans. Little data exists analyzing the unemployment rates of veterans with SCI/D; however, the National Spinal Cord Injury Statistical Center created a prospective longitudinal multicenter study on the demographics of people with SCI, and they estimated that in 2015, only 18 percent of people with an SCI were employed a year out from their injury. Over time, people with SCI tend to get more comfortable with their injury, and they better understand what they are capable of, and at 30 years post-injury, upwards of 30 percent of them are employed.³

While unemployment has been a valuable tool in tracking the employment landscape for veterans it is important to consider that the data provided by the Bureau of Labor Statistics (BLS) is based off of a sample size of 10,000 people whom they follow for a year and an unknown portion of that group is

¹ [Veterans Benefits Administration, Annual Benefits Report, Compensation, FY 2023.](#)

² [Service-Connected Disabled Veterans and Veterans with a Disability in the Labor Force, 20023.](#)

³ [Traumatic Spinal Cord Injury Facts and Figures at a Glance, NSCISC, 2024.](#)

identified as veterans or disabled veterans. Also, BLS uses several metrics to analyze the data they provide; but the people they track are actively engaged with the workforce. Because it ignores the number of veterans who are not engaged with the workforce, it results in a misrepresentation of the disabled veteran employment landscape. A more appropriate representation would be to examine workforce participation rates by demographics, such as disabled veteran status, to see how many disabled veterans are unemployed versus not engaged with the workforce system.

Increased Resources for Veteran Readiness & Employment (VR&E)

The VR&E Program within the VA plays a critical role in assisting disabled veterans in finding appropriate employment that will not exacerbate their service-connected disability. Unfortunately, a significant amount of misinformation exists around the program, and many veterans do not understand that a VR&E counselor, or VRC, is trained to find the most suitable job for veterans with disabilities.

Historically it has been proposed that VR&E might be in a position to help veterans applying for TDIU find appropriate employment that meets the needs of applicants; however, not everyone applying for TDIU will be able to maintain employment due to their disability. For veterans with significant employment barriers due to their service-connected disabilities, a VRC may not find suitable employment, and if a medical professional confirms a veteran's inability to work, TDIU should be awarded. VR&E applications have increased dramatically (40 percent) since the passage of the Honoring our PACT Act (P.L. 117-168) which fuels a need for more staff to properly manage these cases.

If VR&E played an increased role in the assessment of TDIU eligibility, it would require additional resources and staff. Also, Congress should prioritize the elimination of the delimiting date for the program. Currently, a VRC can use their professional expertise to assess if a veteran who is past the 12-year eligibility date should be accepted into the program. A greater number of veterans would be eligible for the program if the delimiting date were removed, which would likely result in more positive outcomes from an already successful program.

In the Independent Budget's (IB) recommendations for VA's budget for fiscal years 2025 and 2026, the IB veterans service organizations (VSO) recommended an increase of \$46 million to improve the performance of the VR&E program. Several recommendations were made that could help VR&E be better positioned to assist in the determination of TDIU eligibility. Current funding levels address the suggested staffing ratio of 1:125 (counselor to clients), but the IB VSOs suggest funding the program to a 1:120 ratio to increase timeliness and support for disabled veterans. The IB also suggested that VR&E hire an additional 300 full-time employees, which would increase counselor capacity and decrease the administrative burden they face.⁴ If TDIU consideration was added to the duties of a VRC, the recommended funding would likely need to be increased.

In some regional offices, staffing shortages have led to longer wait times for veterans. When counselors leave, the remaining staff are tasked to manage those cases. That makes it very difficult for a VRC to have a manageable bandwidth that allows them to make thoughtful decisions or plans for the veterans

⁴ [The Independent Budget, Fiscal Years 2025 & 2026 for the Department of Veterans Affairs, 2024.](#)

they serve. Increased funding and expansion of staffing for VR&E would allow for appropriate engagement for potential TDIU eligible veterans to find meaningful, and appropriate employment despite their service-connected disabilities.

Workplace Accommodations Improve Access to Employment Opportunities

For other employment supports and services, we cannot discount the need for increased awareness and understanding of appropriate workplace accommodations. Under the Americans with Disabilities Act (ADA), state and local government and private employers are required under federal law to make reasonable accommodations for employees with disabilities. A reasonable accommodation is a change to the application or hiring process, to the job, or to the way the job is performed, or the environment, for a person with a disability.

Federal law requires that employers offer reasonable accommodations; however, more education is needed to guarantee employers understand what is expected of them regarding accommodations. Many employers believe that hiring a disabled veteran and making accommodations for them will be too costly, but data overwhelmingly shows that investing in people with disabilities, veteran or civilian, often pays big dividends to the company.

The Job Accommodation Network, an employment consultant site funded by the DOL, published data about the cost of workplace accommodations. Nearly half (49 percent) of employers who provided reasonable accommodations reported that it cost nothing to provide them, another 43 percent reported the average cost of accommodations was around \$300, and only 7 percent reported that accommodations provided incurred an ongoing annual cost.⁵ Other benefits seen by implementing workplace accommodations were increased worker productivity and retention, increased company morale, and decreased costs associated with training a new employee.

Understanding reasonable accommodations for veterans with disabilities and expecting these accommodations to be provided by employers across the country is another way to help people with disabilities find appropriate employment opportunities.

One of PVA's NSOs was on TDIU prior to his current employment. Mathew joined the military in 2010 at 29 years old. He had previously been a quality logistics manager for an oil production company but during the recession he was laid off from his position. Living in rural Oklahoma meant that employment opportunities that would sustain his family were difficult to find, so he joined the military.

After five years of service, Mathew experienced health concerns coupled with increased family responsibilities, and he was discharged in May 2015. Shortly after separation, in June of 2016, Mathew was diagnosed with multiple sclerosis (MS). Several of the medical issues he experienced towards the end of his service were likely early symptoms of MS, and because he was diagnosed within the seven-year presumptive window, he was granted 30 percent for his MS. His health continued to decline, which

⁵ [Costs and Benefits of Accommodation, Low-Cost High Impact, Job Accommodation Network, April 2024.](#)

led to secondary issues such as chronic migraines and vertigo, increasing his disability rating to 90 percent.

Mathew found work at a grocery store as an assistant manager which combined with his disability compensation allowed him to provide for his family. One day while taking the trash out he was hit with a strong case of vertigo and one of his coworkers found him lying on the ground next to the dumpster. His employer suggested Mathew take some time to get his health under control.

With worsening conditions, Mathew quickly realized finding suitable employment was going to be a struggle, and he was encouraged by his medical provider to apply for TDIU. The benefit was granted which allowed him to provide for his family, but he says that was the lowest point of his life. Mathew was uncomfortable receiving TDIU; he recalled praying for death, which he said would be better than sitting around and doing nothing.

Mathew's MS continued to progress, and eventually, he was diagnosed with drop foot, which increased his rating from 90 to 100 percent. Because of the increased rating, Mathew received a letter from the VA informing him that he was no longer eligible for TDIU but that he would receive the same amount of compensation. Like most veterans, Mathew had questions about this change, and he headed to his local VA office to get clarity.

Upon arrival at the VA, Mathew stopped at the local PVA office, where he already knew most of the staff. After addressing his questions, they informed him that PVA was hiring an NSO, and he was encouraged to apply. Mathew responded with shock, and he told the staff that they did not want to hire a guy like him. He was trying to get his MS under control and couldn't guarantee that he could work full-time in the office as needed. The PVA staff informed Mathew that they fully understood the complications of his MS and that they would still like him to apply. They also assured him that appropriate accommodations for his disabilities would be made and that they would assist with his success in the role.

Mathew was hired and has been working as a PVA NSO since then, and he has become an invaluable resource for veterans living with MS. Many veterans likely share a similar experience when it comes to the use of TDIU, and quickly learn that it can be the resource which allows a veteran to improve their health and wellbeing without fear of financial hardship, and once they are in a stable position they are better prepared and equipped to reenter the labor market.

Other Government Programs to Support Disabled Veteran Employment

Several federal programs exist beyond the VA to help disabled veterans find meaningful employment. DOL VETS has been given the responsibility of helping veterans, service members, and military spouses to reach their full potential in the workplace. DOL oversees the Jobs for Veterans State Grants (JVSG) Program and programs such as Section 503 and the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA), which urge federal contractors to recruit and hire higher veterans with disabilities. Another office within DOL that addresses employment challenges experienced by disabled veterans is the Office of

Disability Employment Policy (ODEP), whose mission is to “develop and influence policies and practices that increase the number and quality of employment opportunities for people with disabilities.”⁶

When discussing DOL, it is critical to highlight the Workforce Innovation and Opportunity Act (WIOA), which was signed into law in 2014. WIOA was intended to “help people access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete.”⁷ Recently, the House passed H.R. 6655, the Stronger Workforce Innovation and Opportunity Act, which would reauthorize the funding through 2030 to help close the national skills gap and provide increased accountability in state workforce systems that help workers obtain gainful employment.

Across the country are American Job Centers (AJC) which are intended to provide a suite of assistance to job seekers such as training referrals, career counseling, and other employment-related supports. Two critical support roles within AJCs are Disabled Veteran’s Outreach Program (DVOP) Specialists and Local Veterans’ Employment Representatives (LVER). A DVOP provides individualized employment services and LVERs conduct outreach to local businesses and other employers to advocate for the hiring of veterans. LVERs are expected to educate employers on the practical implementation of appropriate workplace accommodations and to ensure the work environment they provide is suitable for a person with a disability. In 2002, the Jobs for Veterans Act required that priority of service be given to targeted veterans in workforce programs funded by DOL. Additionally, for employment within the federal government, veteran’s hiring preference is afforded to eligible veterans seeking federal employment.

There is a robust network of services and support afforded to disabled veterans to help them find meaningful and lasting employment that allows them to live an independent life. There are federally funded programs, state funded programs, and other resources at the local level; however, despite all of these services, not all veterans will find suitable employment. At times, service-connected disabilities worsen and require a veteran to take time for themselves to focus on their health, which is why TDIU is such a vital program for our nations’ veterans.

Although AJCs have been tasked with the responsibility of assisting disabled veterans find suitable employment, fewer resources have been allocated for them to execute their mission. Since 2003, Federal dollars for AJCs has decreased 10 percent. If inflation were considered, it would be nearly 50 percent. Since 2003, there are 1,300 fewer job centers across the country, leaving 31 percent of the country, more than 25 million Americans, without those employment resources. It is also critical to stress that DOL’s data on participants earnings when they leave the AJC equates to no more than a fast-food worker. Despite the various programs and resources intended to support disabled veteran’s in finding employment, they are still struggling to find meaningful and financially secure employment.

⁶ [Office of Disability Employment Policy \(ODEP\), Department of Labor.](#)

⁷ [Workforce Innovation and Opportunity Act \(WIOA\), Department of Labor.](#)

Social Security Programming Offers an Example

The Social Security Administration (SSA) oversees the federal benefits program for retirement benefits and disability income to qualified individuals and their dependents. The amount of the benefit is awarded based on your average indexed monthly earnings from your 35 highest-earnings employment years; therefore, it is different for every beneficiary. If someone is injured and unable to work, they might be eligible for Social Security Disability Insurance (SSDI).

It is critical to acknowledge that SSDI is an insurance program. Employees pay into Social Security through a U.S. federal payroll tax known as the Federal Insurance Contributions Act (FICA). FICA helps fund Social Security and Medicare programs, together they provide benefits for retirees, people with disabilities, dependents, and survivors. SSDI is not an entitlement program. It is a payment based on an individual's previous earning capacity and their contributions to Social Security. It is important to remember that this is a critical benefit for veterans with non-service-connected disabilities, because it may be their only source of income they can rely on.

Another beneficial program offered to SSDI recipients is the Ticket to Work program, which allows beneficiaries to test their ability to work for at least nine months. During this trial period, a beneficiary can continue to receive benefits regardless of their earnings, as long as they report the work activity and it meets the rules and standards set out by the SSA. Ticket to Work is a free and voluntary program that supports career development for SSDI recipients and assists them in moving towards financial independence while connecting them with services and supports needed to succeed in the workforce, free from the fears of economic hardship.

While TDIU recipients are able to engage in marginal employment, they are unable to earn more than the federal poverty level. In 2024, the poverty level, set by the Department of Commerce, is around \$15,000 annually, or \$1,250 a month. Many veterans are unaware that they are able to attempt to reenter the workforce and fear the loss of their benefits. It is critical to remember that veterans receiving TDIU are struggling with their physical and/or mental health. The VA should improve outreach and awareness of the limits and allowances offered within the program.

The Ticket to Work program is not perfect, however if the VA were to offer something similar to this program to veterans attempting to reenter the labor market while ensuring their financial security, more veterans might be willing to engage with appropriate employment once they have improved their overall health and well-being. A program like this could offer an off ramp for veterans who think they are ready to return to work but have anxieties about their financial stability. This could be particularly impactful for veterans in rural areas hit hardest by inflation and rising costs.

Increased Oversight of Employment Support Programs

As previously mentioned, there are numerous federally funded programs that aim to get disabled veterans into appropriate employment. Congress needs to conduct efficient and targeted oversight to ensure that these programs are working to the benefit of the veterans they aim to serve. Improving communication and coordination would have a positive impact on all veterans looking for suitable

employment. This is especially true for disabled veterans whose service-connected disabilities may prevent them from holding many jobs that would allow for financial security.

If all of the various employment support programs worked together to ensure that disabled veterans were able to find gainful and fulfilling employment, we would likely see decreased participation in the TDIU program. We urge Congress to focus on ensuring that disabled veterans have access to the benefits that they need while they focus on their health, and the opportunity to access robust services and supports to help them return to the workforce if their situation allows them to do so.

Thank you again for allowing PVA to offer its perspective on the TDIU program.

Information Required by Rule XI 2(g) of the House of Representatives

Pursuant to Rule XI 2(g) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2023

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events —
Grant to support rehabilitation sports activities — \$479,000.

Fiscal Year 2022

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events —
Grant to support rehabilitation sports activities — \$ 437,745.

Disclosure of Foreign Payments

Paralyzed Veterans of America is largely supported by donations from the general public. However, in some very rare cases we receive direct donations from foreign nationals. In addition, we receive funding from corporations and foundations which in some cases are U.S. subsidiaries of non-U.S. companies.