
501(C)(3) Veterans Non-Profit

STATEMENT FOR THE RECORD

PARALYZED VETERANS OF AMERICA

FOR THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS SUBCOMMITTEE

ON

"WASTE AND DELAYS: EXAMINING VA'S IMPROPER PAYMENTS IN ITS COMPENSATION AND PENSION PROGRAMS"

MAY 14, 2025

Chairman Luttrell, Ranking Member McGarvey, and members of the subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to submit our views on how the Department of Veterans Affairs (VA) can improve the compensation benefits process to limit the amount of debt veterans' may incur from the improper payment of disability compensation or other benefits and reduce the additional workload on the VA to address such payments.

Veterans with service-related medical conditions are entitled to compensation benefits under law. The Veterans Benefits Administration (VBA) administers these tax-free compensation benefits through their Compensation Service which determines the appropriate percentage rating, whether the veteran is entitled to dependency pay, and the date the veteran was entitled to start receiving this compensation. Generally, these benefits are designed to offset a veterans' loss of earning capacity that is caused or exacerbated by these conditions. Many veterans, especially those with catastrophic disabilities, like spinal cord injuries and disorders, rely on these payments for a substantial portion of their income.

However, VBA too often has difficulty assigning correct effective dates for claims, both rating and non-rating.¹ An improper effective date could result in lost compensation or, more detrimentally, create a debt that the veteran must repay. For many veterans, losing a portion of their benefits toward repayment of a debt can lead them to dire financial straits. PVA believes that the most common causes for incorrect effective dates and unnecessary overpayments are easily remedied.

Removing Dependents

According to PVA's National Service Officers (NSO), removal of dependents from a veteran's claim triggers the most problems with effective dates and improper payments. When veterans experience qualifying life events like divorce, marriage of a child, or death of a dependent and seek to halt payments for that dependent, they must fill out VA Form 21-686c, a rather lengthy and complicated form, and submit it to the VA or go online via VA.gov to submit the form and the needed documentation. Even when veterans submit their request in a timely manner, many wait several months or even longer to have VA remove the additional monetary amount for their dependent from the veteran's monthly compensation. Because of VA's inaction, the veteran accrues a debt totaling hundreds and sometimes thousands of dollars that the department will eventually be forced to try and recoup. The veteran has the option of asking for the debt to be waived, which is a process that PVA's NSOs assist with regularly. To seek a waiver, a different form must be completed and taxpayer dollars spent for VA employees to consider the veteran's request.

Returning to Active Duty

When a veteran returns to active duty, either due to being recalled as a reservist or a voluntary reenlistment, their benefits are generally not affected. However, "[p]ension, compensation, or retirement pay on account of any person's own service shall not be paid to such person for any period for which such person receives active service pay."² The veteran is obligated to inform the VA either via phone or by filing a VA Form 21-4138, "Statement In Support of Claim," to inform the department of the veteran's intention to enter active duty and the need to pause any benefit payments. The issue then becomes how quickly the VA acts on the request. As with the removal of dependents off a veteran's award, it often takes the VA months to stop a veteran's compensation payments creating a debt totaling thousands of dollars that the veteran must repay. This debt can create a crippling financial situation for the veteran, especially if it occurs

¹ VA OIG, [Accuracy of Claims Involving Service-Connected Amyotrophic Lateral Sclerosis](#), Report No. 18-00031-05, November 20, 2018; VA OIG, [Accuracy of Effective Dates for Reduced Evaluations Needs Improvement](#), Report No. 17-05244-226, August 29, 2018; VA OIG, [Processing Inaccuracies Involving Veterans' Intent to File Submissions for Benefits](#), Report No. 17-04919-210, August 21, 2018.

² 38 U.S.C. § 5304(c).

while the service member is deployed and there is little or no help on how to fight the decision. Any veteran who has chosen to return to duty to serve our country deserves better.

Automation

PVA believes that increased investment in automation could significantly decrease the occurrence of needless overpayments, such as those described above. Our NSOs have access to VBA systems that have significantly reduced the waiting time for processes like filing claims and adding dependents. Unfortunately, the process does not work the same for what should be a relatively simple task like removing dependents off a veteran's claim. Currently, it's so burdensome that our service officers must warn clients of the almost certain impending debt that will be created. The same is true with veterans who seek to halt their disability compensation to return to active duty.

VA should be required to develop an easier way for veterans to remove dependents or halt benefits through a system like VA.gov. Investing in such a system would save the department considerable funding in the long run by greatly reducing the number of waiver requests needed due to overpayments. It should be noted, however, that any new website or function must be accessible to all veterans, including those whose conditions require disability accommodations. Also, creating a specific form to halt VA payments for those who are returning to active duty would help the department manage these requests more quickly, and decrease the overall number of debts that are incurred.

PVA would once again like to thank the subcommittee for the opportunity to submit our views on VA's improper payments and the impact they have on our nation's veterans.

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 2025

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events — Grant to support rehabilitation sports activities — \$502,000.

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.