



**Congressional Budget Office**

Supplemental Data for *The Budget and Economic Outlook: 2021 to 2031*

## **Baseline Projections**

### **Veterans' Disability Compensation and Pension Programs**

#### **Disability Compensation**

The Department of Veterans Affairs' disability compensation program pays monthly benefits to veterans who have a disability resulting from a medical condition or an injury incurred or aggravated while on active military duty. In some cases, the program also pays benefits to surviving spouses and dependents of totally disabled veterans. For compensable service-connected disabilities, which can consist of one or more physical and mental health conditions, disability payments typically continue until death. Benefit amounts are based on percentage ratings for cumulative disabilities. Compensation is not means-tested, but additional benefits may be available to veterans whose disabilities prevent them from working.

#### **Pensions**

The Department of Veterans Affairs' pension program pays monthly benefits to certain low-income veterans and their surviving spouses and dependents. Eligibility for veterans under the age of 65 is based on wartime active-duty service (typically of at least 90 days' duration), total and permanent disability, and countable income below an established amount. Pension benefits are available to veterans over age 65, regardless of disability status, who meet the other requirements. The monthly benefit is based on a maximum annual benefit, which is reduced by a veteran's countable income. Veterans with service-connected disabilities may receive the greater of the pension benefit or the disability compensation benefit, but not both.



**Baseline Projections**  
**Veterans' Disability Compensation and Pension Programs**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031
<b>DISABILITY COMPENSATION</b>													
Millions of dollars, by fiscal year													
Veterans													
Estimated Outlays	104,829	118,097	114,024	107,890	122,068	126,289	130,628	146,714	128,085	144,409	149,176	588,368	1,287,380
Adjustment for Payday Shift <sup>a</sup>	0	-9,084	-740	9,825	0	0	0	-11,644	11,644	0	0	n.a.	n.a.
Total Benefits for Veterans	104,829	109,012	113,284	117,715	122,068	126,289	130,628	135,070	139,729	144,409	149,176	n.a.	n.a.
Number of Veterans (Thousands of people)	5,231	5,368	5,485	5,574	5,650	5,710	5,767	5,824	5,879	5,932	5,984	n.a.	n.a.
Average Annual Benefit (Dollars)	20,039	20,308	20,653	21,118	21,604	22,119	22,649	23,193	23,769	24,343	24,928	n.a.	n.a.
Survivors													
Estimated Outlays	8,111	9,207	8,973	8,608	9,863	10,385	10,936	12,529	11,126	12,778	13,456	47,036	107,861
Adjustment for Payday Shift <sup>a</sup>	0	-708	-58	766	0	0	0	-1,012	1,012	0	0	n.a.	n.a.
Total Benefits for Survivors	8,111	8,499	8,915	9,375	9,863	10,385	10,936	11,517	12,138	12,778	13,456	n.a.	n.a.
Number of Survivors (Thousands of people)	458	471	485	498	512	527	542	557	573	589	606	n.a.	n.a.
Average Annual Benefit (Dollars)	17,704	18,037	18,398	18,812	19,245	19,704	20,177	20,661	21,174	21,686	22,206	n.a.	n.a.
<b>Total Outlays for Disability Compensation</b>	<b>112,940</b>	<b>127,304</b>	<b>122,997</b>	<b>116,498</b>	<b>131,931</b>	<b>136,674</b>	<b>141,564</b>	<b>159,243</b>	<b>139,211</b>	<b>157,187</b>	<b>162,632</b>	<b>635,404</b>	<b>1,395,241</b>
<b>VETERANS' PENSIONS</b>													
Millions of dollars, by fiscal year													
Veterans													
Estimated Outlays	2,758	2,871	2,533	2,255	2,373	2,292	2,214	2,309	2,001	2,107	2,035	12,324	22,990
Adjustment for Payday Shift <sup>a</sup>	0	-221	17	204	0	0	0	-170	170	0	0	n.a.	n.a.
Total Benefits for Veterans	2,758	2,650	2,550	2,459	2,373	2,292	2,214	2,139	2,172	2,107	2,035	n.a.	n.a.
Number of Veterans (Thousands of people)	207	195	184	174	164	155	146	138	130	123	116	n.a.	n.a.
Average Annual Benefit (Dollars)	13,316	13,567	13,838	14,149	14,475	14,820	15,176	15,540	16,723	17,201	17,611	n.a.	n.a.
Survivors													
Estimated Outlays	1,583	1,638	1,436	1,269	1,329	1,275	1,225	1,272	1,129	1,186	1,139	6,947	12,898
Adjustment for Payday Shift <sup>a</sup>	0	-126	10	116	0	0	0	-96	96	0	0	n.a.	n.a.
Total Benefits for Survivors	1,583	1,512	1,445	1,385	1,329	1,275	1,225	1,176	1,225	1,186	1,139	n.a.	n.a.
Number of Survivors (Thousands of people)	190	187	185	182	180	178	175	173	171	169	167	n.a.	n.a.
Average Annual Benefit (Dollars)	8,334	8,074	7,827	7,604	7,389	7,183	6,983	6,788	7,157	7,007	6,809	n.a.	n.a.
<b>Total Outlays for Veterans' Pensions</b>	<b>4,341</b>	<b>4,509</b>	<b>3,969</b>	<b>3,524</b>	<b>3,702</b>	<b>3,568</b>	<b>3,439</b>	<b>3,581</b>	<b>3,130</b>	<b>3,293</b>	<b>3,174</b>	<b>19,272</b>	<b>35,889</b>

Components may not sum to totals because of rounding; n.a. = not applicable.

a. 38 U.S. Code § 5120 directs that if the first day of the month occurs on a holiday or weekend, the Department of Veterans Affairs will make benefit payments on the preceding business day. That will result in one additional paycheck in fiscal years 2022 and 2028 and one fewer paycheck in fiscal years 2024 and 2029.