



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

September 25, 2018

VR&E Letter 28-18-02

Director (00/28)  
All VA Regional Offices

SUBJ: Cost of Living Adjustment and Options to FY2019 Subsistence Allowance Rates

On October 1, 2018, a 2.34 percent Cost of Living Adjustment (COLA) to traditional Chapter 31 subsistence allowance rates will go into effect. This letter provides information on:

1. The new Chapter 31 rates and the first increased payment date
2. Processing subsistence allowance in Corporate WINRS Subsistence Allowance Module (SAM)
3. How running Chapter 31 awards will be adjusted
4. How Veterans will be notified about the Chapter 31 COLA increase
5. Election of alternate subsistence allowance under Public Law (PL) 111-377
6. Who to contact with Chapter 31 subsistence allowance questions

Please refer to M28R, Part V, Section B, Chapter 8, located on the Knowledge Management Portal (KMP), for additional procedural guidance on the authorization and processing of subsistence allowance payments.

**1. The new Chapter 31 rates and the first increased payment date**

Vocational Rehabilitation and Employment Service (VR&E) received confirmation from the CWINRS Product Support Team (developers), and the CWINRS Product Support Team that the October 1, 2018, Chapter 31 COLA rates were installed for subsistence allowances. This COLA affects traditional Chapter 31 subsistence allowance rates where the award period ends on or after October 1, 2018. Post-9/11 subsistence allowance (P911SA) based on Department of Defense Basic Allowance for Housing (BAH) is unaffected by this COLA.

The enclosed table reflects the new traditional Chapter 31 subsistence allowance rates that are effective October 1, 2018. Since the Department of Veterans Affairs (VA) pays subsistence allowance for training that has been completed in the previous month, the first payment at these rates will be reflected in the November 1, 2018 payment/disbursement.

**2. Processing subsistence allowance in Corporate WINRS (SAM)**

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**Traditional rate** awards already entered into SAM have been automatically adjusted with the COLA rate effective October 1, 2018. New award entries will display the COLA adjustment effective October 1, 2018.

**Post 9/11 rate** awards require no additional action in SAM.

### 3. How running Chapter 31 awards will be adjusted

In early October, a batch computer program will identify and automatically retroactively adjust awards that include an effective date of October 1, 2018, or earlier.

The automatic adjustment to Chapter 31 awards will:

- Generate a report of all SAM adjusted and non-adjusted cases in early October 2018
- Generate award letters to Veterans notifying them of the change in their subsistence rate(s) effective on or after October 1, 2018

### 4. How Veterans will be notified about the Chapter 31 COLA increase

All Veterans receiving Chapter 31 subsistence payments at the end of September 2017 will receive notification of the new rates by VA Form 28-0347, which includes a copy of the Chapter 31 traditional subsistence allowance rate table enclosed with this letter.

Chapter 31 Subsistence Allowance Rate Increase as of October 1, 2018  
Based Upon the Consumer Price Index (CPI) Increase (2.34%)

Type of Training	Training Time	No Dependents	One Dependent	Two Dependents	Each Additional Dependent
Institutional & Independent Living	Full-Time	\$631.85	\$783.75	\$923.60	\$67.31
	Three-Quarter-Time	\$474.76	\$588.67	\$690.52	\$51.77
	Half-Time	\$317.66	\$393.59	\$462.64	\$34.54

Farm Cooperative/ Apprenticeship / OJT/Nonpay or nominal pay on-the-job training in a Federal, State, or local agency / training in the home/ vocational course in a rehabilitation facility or sheltered workshop / independent instructor	Full-Time	\$552.44	\$668.07	\$769.94	\$50.07
Extended Evaluation	Full-Time	\$631.85	\$783.75	\$923.60	\$67.31
	Three-Quarter-Time	\$474.76	\$588.67	\$690.52	\$51.77
	Half-Time	\$317.66	\$393.59	\$462.64	\$34.54
	Quarter-time	\$158.81	\$196.82	\$231.32	\$17.23

Effective 10-01-2017, the maximum monthly rate for Chapter 31 Subsistence Allowance is **\$2,674**.

*This maximum rate was calculated based upon full-time enrollment for a Veteran with the following dependents: spouse, mother, father and 25 children.*

#### **5. Election of Alternate Subsistence Allowance under Public Law 111-377: Post 9/11 Subsistence Allowance (P911SA) Rate**

As an informational addendum to this form letter, the following subsistence allowance option has been included. The law implementing this allowance option became effective in late fiscal year 2011, and is included here for use in comparing options for subsistence which may be open to the Veteran participant.

Public Law 111-377, Section 205 amended Title 38 of the United States Code, Section 3108(b), effective August 1, 2011. This change in the law authorizes VA to allow a Veteran, entitled to both a Chapter 31 subsistence allowance and Post 9/11 GI Bill Chapter 33 educational assistance, to elect to receive a payment in an alternate amount instead of the regular Chapter 31 subsistence allowance. To receive the alternate payment, referred to as the P911SA rate, a Veteran must make an election of benefits

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with an effective date on VA Form (VAF) 28-0987, *Election for CH 31 Subsistence Allowance (CH31SA) Rate or Post-9/11 Subsistence Allowance (P911SA) Rate*. The alternate payment will be based on the military basic allowance for housing (BAH) for an E-5 with dependents residing in a military housing area that encompasses all of, or the majority portion of, the ZIP Code of the training facility, agency, or employer providing the rehabilitation program. Training in foreign institutions and training that is solely on-line or in-home will be based on the BAH national average.

The Department of Defense (DoD) sets BAH rates each calendar year, therefore, new BAH rates are effective January 1<sup>st</sup> each year, not October 1st. BAH for full-time attendance (or rate of pursuit) may be calculated at the DoD website:

- <https://www.defensetravel.dod.mil/site/bahCalc.cfm>
- Enter **year** (“2019”), **ZIP Code** of the training facility (school, employer for OJT programs, or agency approved for work experience programs), and **“E-5”**
- Click “calculate”
- Use rate for “E-5 with dependents”.
- Per Public Law 115-48, participants who used entitlement to Chapter 31 benefits and services on or before December 31, 2017, will add an additional amount to this rate. The additional amount will be published in January 2019.

For training at a facility within a United States (U.S.) Territory (not solely online), identify the appropriate locality code (similar to a U.S. ZIP Code) where the Veteran is enrolled in training.

Verify that the site is located in one of the U.S. Territories under which the Overseas Housing Allowance (OHA) under the Post-9/11 Chapter 33 is payable: American Samoa, Northern Mariana Islands, Puerto Rico, Virgin Islands and Guam.

Go to the Department of Defense website:

- <https://www.defensetravel.dod.mil/site/ohaCalc.cfm>
- Enter the year, month and day. If the term starts prior to the 15<sup>th</sup> day of the month, use the 1<sup>st</sup> day of the month in which the term begins; if the term starts on or after the 16<sup>th</sup> day of the month, use the 16<sup>th</sup> day of the month in which the term begins.
- Choose the correct location from the drop-down box.
- Choose pay grade “E-5”.
- Choose “Yes” in the dependents box.
- Click “Calculate” to obtain the rate.
- The correct rate of pay for P911SA is titled “OHA Rental Allowance”.

The following table specifies payment of the alternate subsistence allowance that VA is calling the Post-9/11 subsistence allowance, as governed by Title 38 Code of Federal Regulations (CFR) § 21.260(c).

PAYMENT OF <u>POST-9/11 SUBSISTENCE ALLOWANCE</u> IN ACCORDANCE WITH PUBLIC LAW 111-377 (EFFECTIVE AUGUST 1, 2011) <sup>1</sup>	
TYPE OF PROGRAM	BAH PAYMENT INCREMENT
Institutional: <sup>2</sup>	
Full-time	Entire <u>BAH</u> of institution ZIP Code
3/4 time	$\frac{3}{4}$ <u>BAH</u> of institution ZIP Code
1/2 time	$\frac{1}{2}$ <u>BAH</u> of institution ZIP Code
Non-pay or nominal pay on-job training in a Federal, State, local, or federally recognized Indian tribe agency; vocational course in a rehabilitation facility or sheltered workshop; institutional non-farm cooperative:	
Full-time only	Entire <u>BAH</u> of agency or institution ZIP Code
Non-pay or nominal pay work experience in a Federal, State, local, or federally recognized Indian tribe agency:	
Full-time	Entire <u>BAH</u> of agency ZIP Code
3/4 time	$\frac{3}{4}$ <u>BAH</u> of agency ZIP Code
1/2 time	$\frac{1}{2}$ <u>BAH</u> of agency ZIP Code
Farm cooperative, apprenticeship, or other on-job training (OJT): <sup>3</sup>	
Full-time only	Entire <u>BAH</u> of employer ZIP Code
Combination of institutional and OJT (Full-time only):	
Institutional greater than 1/2 time	Entire <u>BAH</u> of institution ZIP Code
OJT greater than $\frac{1}{2}$ time <sup>3</sup>	Entire <u>BAH</u> of employer ZIP Code
Non-farm cooperative (Full-time only):	
Institutional	Entire <u>BAH</u> of institution ZIP Code
On-job <sup>3</sup>	Entire <u>BAH</u> of employer ZIP Code
Improvement of rehabilitation potential:	
Full-time	Entire <u>BAH</u> of institution ZIP Code
3/4 time	$\frac{3}{4}$ <u>BAH</u> of institution ZIP Code
1/2 time	$\frac{1}{2}$ <u>BAH</u> of institution ZIP Code

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1/4 time <sup>4</sup>	1/4 <u>BAH</u> of institution ZIP Code
Training consisting of solely distance learning: <sup>5</sup>	
Full-time	1/2 <u>BAH National Average</u>
3/4 time	3/8 <u>BAH National Average</u>
1/2 time	1/4 <u>BAH National Average</u>
Training in the home, including independent instructor:	
Full-time only	1/2 <u>BAH National Average</u>
Training in an institution not assigned a ZIP Code, including foreign institutions: <sup>6</sup>	
Full-time	Entire <u>BAH National Average</u>
3/4 time	3/4 <u>BAH National Average</u>
1/2 time	1/2 <u>BAH National Average</u>

<sup>1</sup> Effective August 1, 2011, the Post-9/11 subsistence allowance may be paid in lieu of subsistence allowance authorized in § 21.260(b), and is not adjusted to include dependents.

<sup>2</sup> For measurement of rate of pursuit, see §§ 21.4270 through 21.4275. Payments for courses being taken simultaneously at more than one institution are based on the BAH of the ZIP Code assigned to the parent institution.

<sup>3</sup> For on-job training, payment of the Post-9/11 subsistence allowance may not exceed the difference between the monthly training wage, not including overtime, and the entrance journeyman wage for the veteran's objective.

<sup>4</sup> The quarter-time rate may be paid only during extended evaluation.

<sup>5</sup> Payment for training consisting of both distance learning and courses taken at a local institution is based on the BAH of the ZIP Code assigned to the local institution.

<sup>6</sup> Payment for training or OJT in an institution outside the US, but identified as a U.S. Territory, is based on the OHA rate for the locality code assigned to the institution.

**6. Who to contact for Chapter 31 subsistence allowance questions**

Questions regarding subsistence allowance award processing may be directed to your district VR&E Field Liaison at the e-mail address listed below.

<b>District</b>	<b>Primary</b>	<b>Alternate</b>	<b>E-mail</b>
N. Atlantic	Bryan Callahan / Latrese Arnold	Bryan Callahan / Latrese Arnold	VAVBAWAS/CO/VRE/NA
Southeast	Veronica Brown	LeGuster Seawright	VAVBAWAS/CO/VRE/SE
Midwest	LeGuster Seawright	Veronica Brown	VAVBAWAS/CO/VRE/MW
Continental	Avery Lewis	Lynn Horwatt	VAVBAWAS/CO/VRE/CONT
Pacific	Lynn Horwatt	Sabrina McNeil	VAVBAWAS/CO/VRE/PA

Sincerely,

/s/

William F. Streitberger  
Director, Vocational Rehabilitation  
and Employment Service