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**Chapter 3  
MONETARY ASSISTANCE**

**3.01. Introduction**  
(Change Date November 7, 2013)

This chapter outlines the guidelines and determinations needed to process payments related to monetary assistance services for Veterans participating in the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) program.

**3.02. References and Resources**  
(Change Date February 19, 2019)

**Laws:** 38 United State Code (U.S.C.) 1114  
38 U.S.C. 3103  
38 U.S.C. 3104  
38 U.S.C. 3112  
Public Law 104-275  
Public Law 112-154

**Regulations:** 38 Code of Federal Regulations (CFR) 21.32  
38 CFR 21.79  
38 CFR 21.260  
38 CFR 21.262  
38 CFR 21.264  
38 CFR 21.266  
38 CFR 21.268  
38 CFR 21.274  
38 CFR 21.276  
38 CFR 21.282  
38 CFR 21.299  
38 CFR 21.320  
38 CFR 21.324  
38 CFR 21.328  
38 CFR 21.7050  
38 CFR 21.7130 through 21.7135  
VA Acquisition Regulation (VAAR) 831.70  
VAAR 871.1

**Forms:** Standard Form (SF) 1034, Public Voucher for Purchases and Services Other Than Personal  
VA Form (VAF) 119, Report of Contact  
VAF 20-0998, Your Rights to Seek Further Review of our Decision (Note – this form replaced all versions of VAF 4107)

effective February 19, 2019)  
VAF 21-686c, Declaration of Status of Dependents  
VAF 28-0846, Employment Adjustment Allowance  
VAF 28-0987, Election for Chapter 31 Subsistence Allowance (CH31SA) Rate or Chapter 31 Post-9/11 Subsistence Allowance (P911SA) Rate  
VAF 28-1902n, Counseling Record – Narrative Report (Supplemental Sheet)  
VAF 28-1905, Authorization and Certification Entrance or Reentrance into Rehabilitation and Certification of Status  
VAF 28-1905c, Monthly Record of Training and Wages  
VAF 28-1905d, Special Report of Training  
VAF 28-1905m, Request for Supplies

Website: <http://www.benefits.va.gov/gibill/apply.asp>  
<http://www.benefits.va.gov/gibill/workstudy.asp>

### 3.03. General Information (Change Date November 7, 2013)

Monetary assistance under Chapter 31 is provided to help a Veteran pursue his/her rehabilitation program. While the range of monetary assistance may not be sufficient in certain cases to cover all of a Veteran's expenses, these monetary services do provide a financial base, freeing him/her from having to commit large amounts of time to earn money for living expenses while in a rehabilitation program. The case manager must be aware of each Veteran's financial situation and must be able to utilize appropriate VA and non-VA financial resources to aid Veterans who need additional assistance. VA monetary assistance services include the following:

- Subsistence allowance
- Payment for services, supplies and training
- Employment Adjustment Allowance (EAA)
- Work-study program
- Revolving Fund Loan (RFL)

### 3.04. Subsistence Allowance

#### a. Policy (Change Date November 7, 2013)

In accordance with 38 CFR 21.320, subsistence allowance may be authorized

when an Individualized Written Rehabilitation Plan (IWRP) or other plan has been developed and other requirements for entrance or reentrance into a rehabilitation program have been met. A Veteran's case must be assigned to one of the following case statuses to be eligible for a subsistence allowance:

- Rehabilitation to the Point of Employability (RTE)
- Extended Evaluation (EE)
- Independent Living (IL)

b. Exceptions in Paying Subsistence Allowance  
(Change Date November 7, 2013)

In accordance with 38 CFR 21.260(d), a Veteran must not receive a subsistence allowance when VA is providing the Veteran with only the following services:

- Initial evaluation
- Placement and post-placement services
- Counseling

1. Concurrent Education Benefits  
(Change Date November 7, 2013)

Before authorizing subsistence allowance, VR&E staff should check all other education chapters (e.g., chapters 30, 32, 33, 1606) to ensure that the Veteran is not receiving benefits under another education program since a Veteran cannot receive benefits from more than one program at a time. Refer to M28R.V.B.8 for guidelines on how to check for concurrent education benefits.

2. Active Duty Servicemembers  
(Change Date November 7, 2013)

Before authorizing subsistence allowance, it is also important to note the Date of Release from Active Duty (RAD), which is found in Corporate WINRS (CWINRS). Since active duty Servicemembers are not eligible to receive subsistence allowance.

Veterans participating in the VR&E program may receive subsistence allowance during drill weekends, but not during the two-week active duty training period for National Guard and Reserve members since the Veteran also receives extra pay for meals and housing allowance during

this two-week training period.

3. Authorizing Subsistence Allowance  
(Change Date November 7, 2013)

VAF 28-1905 (see Appendix O, VA Forms for information on this form, as well as all forms referenced in this chapter) must be used as authorization for services to a facility. The original completed VAF 28-1905 is sent to notify the facility that the Veteran is authorized to attend at VA expense. It also notifies the facility of the approved program of study for the Veteran. This form must not be sent unless the training program has been approved and the facility has been assigned a valid facility code. Refer to M28R.V.B.2 for guidance and procedures on the approval of a program and the assignment of a facility code.

After receiving VAF 28-1905 for authorization, most facilities use VA Once to certify the Veteran's enrollment. VA-Once allows training facilities to electronically certify attendance and includes number and type of hours, beginning and ending dates, and changes in enrollment. Refer to M28R.V.B.8 for more information on VA Once. VR&E staff must ensure that subsistence allowance payments are made on a timely basis; that the Veteran is eligible for payment during the period certified; and that the Veteran receives the rate that he/she is entitled based upon rate of pursuit. Refer to M28R.V.A.2 for more information of rate of pursuit. Procedures for processing subsistence allowance awards are outlined in M28R.V.B.8.

4. Preparation of VA Form (VAF) 28-1905  
(Change Date November 7, 2013)

When authorizing and documenting enrollment of Veterans participating in a rehabilitation program, VR&E must:

- (a) Complete and sign VAF 28-1905 for authorization of training.
- (b) File the signed VAF 28-1905 in the VR&E record.
- (c) Record authorization of training in CWINRS (electronic VAF 28-1905).

5. Requirement to File the Paper VAF 28-1905 in the VR&E Record  
(Change Date November 7, 2013)

Case managers must ensure that Parts A and B of VAF 28-1905 are completed, including the case manager's signature in box 11A. Completion of Parts A and B of VAF 28-1905 provides the essential VA authorization for the facility to provide requested services. A copy of VAF

28-1905 with Parts A and B completed and an authorized signature in box 11A should be filed on the left flap of the Veteran's VR&E record.

6. Recording Authorization in Corporate WINRS (CWINRS)  
(Change Date November 7, 2013)

The Veteran's authorization for training, including the authorized timeframe, must be recorded in CWINRS. Refer to the CWINRS User Guide, Chapter 6.14.5. The authorization for training must be completed in increments of one year or less. The completed electronic VAF 28-1905 can be found under the CWINRS finance tab.

7. Voucher Auditor Responsibilities  
(Change Date November 7, 2013)

Voucher auditors should review the Veteran's CWINRS View Financial Data screen to verify the period of enrollment authorized, which supports payment of invoices. If the electronic 28-1905 authorization is not found in the CWINRS View Financial Data screen, the voucher auditor must contact the VR&E Officer to review the VR&E record to determine if a signed paper copy of VAF 28-1905 is in the file. If a signed copy of the VAF 28-1905 cannot be found, the unpaid invoice is to be returned to the VR&E Division to research the invoice and determine the appropriate next steps.

8. Rate of Payment

(a) Chapter 31 Subsistence Allowance Rate of Payment  
(Change Date November 7, 2013)

In accordance with 38 CFR 21.260, a Veteran participating in the VR&E program will receive a monthly subsistence allowance at the Chapter 31 subsistence allowance rate of payment, unless the Veteran elects to receive an alternate payment, chapter 30 or P911SA. See Appendix AO, Chapter 31 Subsistence Allowance Rates for specific rates for the following types of training programs:

- Institution of Higher Learning (IHL)
- Farm Cooperative
- Apprenticeship
- Non-Paid Work Experience (NPWE)
- On-Job Training (OJT)

- Training in the Home
- Independent Instructor
- Improvement of Rehabilitation Potential
- Distance Learning
- Cooperative Program
- Foreign Institutions Not Assigned a ZIP code

Payment will begin the month following the first month of training. It is important to note that this means that most Veterans will receive less than a full month's subsistence allowance for his/her first payment.

(b) Veteran Elects to Use Chapter 30 Rate of Payment  
(Change Date November 7, 2013)

In accordance with 38 CFR 21.264, a Veteran who is participating in the VR&E program may elect to use the Chapter 30 rate of payment, and other assistance furnished under Chapter 30, in lieu of a subsistence allowance, if the following criteria are met:

- The Veteran has remaining eligibility for, and entitlement to, educational assistance under Chapter 30.
- The Veteran enrolls in a program of education or training approved for benefits under Chapter 30.
- The program of education is part of an approved IWRP.

When a Veteran elects payment of an allowance at the Chapter 30 rate, the effective dates for commencement, reduction and termination of the allowance must be in accordance with 38 CFR 21.7130 through 21.7135 and 38 CFR 21.7050 under Chapter 30. It is important to note that the election must be made in writing.

A Veteran participating in the VR&E program who elects to use the Chapter 30 rate of payment must be provided the same training and rehabilitation services as other Veterans participating in the VR&E program, but must not be provided the following:

- Subsistence allowance
- Loans from the revolving fund

- Payment of costs for vocational and other training services
- Payment of costs for supplies
- Payment of costs for tutorial assistance

(c) Veteran Elects to Receive P911SA Rate of Payment  
(Change Date November 7, 2013)

In accordance with 38 CFR 21.264, a Veteran who is participating in the VR&E program may elect to receive the P911SA rate of payment in lieu of Chapter 31 subsistence allowance under 38 CFR 21.264, if the Veteran has remaining eligibility and entitlement for educational assistance under the Chapter 33, Post-9/11 GI Bill. See Appendix AA, Rate of Pay for Post-9/11 Subsistence Allowance for specific rates and training programs.

(1) Eligibility  
(Change Date November 7, 2013)

If the Veteran has previously applied for Chapter 33 benefits, eligibility information should be available in the Long-Term Solution (LTS). Two VR&E staff members in each RO have been assigned access to LTS. Eligibility information found in LTS is sufficient for the purpose of determining eligibility for P911SA and can be found on the eligibility screen in LTS. This screen should be printed and filed on the left side of the Veteran's VR&E record to document the following:

- Eligibility date
- Benefit level
- Delimiting date
- Entitlement (original, used and remaining)
- Date Last Paid

VR&E staff should note the eligibility date, and ensure that there is at least one day of entitlement remaining and that the delimiting date has not passed.

If the Veteran has not previously applied for Chapter 33 benefits, he/she must be advised that eligibility for the P911SA cannot be determined until the Regional Processing Office (RPO) processes

his/her application. The Veteran should be notified that this process could take several weeks. To establish eligibility for the Post-9/11 GI Bill, a Veteran may take one of the following steps:

- Call 1-888-GI BILL-1 (1-888-442-4551).
- Obtain an application from the VA Certifying official at the training facility.
- Apply online at <http://www.benefits.va.gov/gibill/apply.asp>

(2) Election

(Change Date November 7, 2013)

If Chapter 33 eligibility exists, provide enough information to the Veteran to enable an informed choice about the best use of available benefits. See Appendix AX, Chapter 31 and Chapter 33 Benefits Comparison for advice on comparing benefit options. If the Veteran decides to receive the P911SA, the election must be completed in writing. For Veterans who elect to receive P911SA multiple times, the election must be made in writing each time the Veteran elects P911SA in lieu of Chapter 31 subsistence allowance. Use VAF 28-0987, Election for Ch31 Subsistence Allowance Rate or Post 9/11 Subsistence Allowance Rate, to document the date the election is made and the date the Veteran wants the P911SA to begin. This form should be filed in the VR&E record.

Note: Veterans who elect Chapter 31 subsistence allowance in lieu of P911SA must also submit the election in writing. Additionally, VAF 28-0987 must be used to document the date the election is made and the date the Veteran wants the Chapter 31 subsistence allowance to begin.

(3) Rate Protection When Basic Allowance for Housing (BAH) is Reduced by Department of Defense  
(Change Date July 2, 2014)

37 U.S.C. 403(b)(6) requires the Department of Defense (DoD) to "grandfather" the BAH for members who retain uninterrupted eligibility for the BAH even if the housing rates decrease or if the individual receives a promotion within the same housing area. Similar to DoD's grandfathering rule, VR&E will provide rate protection for individuals who are continuously enrolled in training at the same facility under Chapter 31. This means, that if the BAH rate for the zip code of the training facility, agency, or employer

decreases from 2014 to 2015, the rate for 2014 may be paid. Refer to Appendix AW, Calculating Rate of Pay for P911SA for additional information.

Example: Rate protection for the P911SA is provided when a student received the previous year's P911SA rate for training at the same facility and was continuously enrolled at the same facility. Continuously enrolled means no more than a 6 month break in training. Rate protection for the P911SA is not provided when P911SA was not previously paid for training at that facility, even if the student was enrolled, and there is a change in facility code, which is considered a change in facility. Please note that any student called to active duty during an enrollment period or 6-month grace period will receive rate protection as long as he/she begins training at the same facility within 6 months from the release from active duty.

9. Adding Veteran's Dependents  
(Change Date November 7, 2013)

VR&E staff must ensure that the dependent(s) of a Veteran is/are appropriately added or removed by reviewing the dependency screen in Share and CWINRS. It is important to note that dependent information can be verified by accessing Share if a Veteran is rated at 30% or more and the information has already been provided to VA. If the information is not in Share, either because the Veteran is rated less than 30% or because VA never received this information, the Veteran must complete and submit VAF 21-686c with sufficient evidence to support the claim, such as a birth certificate, marriage license, etc. In accordance with 38 CFR 21.328, if both partners in a marriage are Veterans, and each is receiving subsistence allowance for a vocational rehabilitation program, each Veteran is entitled to receive the additional allowances payable for each other and for their children.

(a) Increases for Dependents  
(Change Date November 7, 2013)

The Veteran's dependent(s) must be added in the same manner as the payment of subsistence allowance in a normal training period. A Veteran may have one or more dependents on or before the date he/she enters or reenters a rehabilitation program. To determine the effective date, the following rules apply:

(1) Date of Entrance or Reentrance  
(Change Date November 7, 2013)

The effective date of the increase will be the date of entrance or reentrance, this means the first day of the Veterans enrollment in training found on the VA Once certification if both of the following apply:

- VA receives the claim for the dependent increase within 1 year of the date of entrance or reentrance, and
- VA receives any necessary evidence within 1 year of the date VA requested the evidence and informed the Veteran of the time limits during which the evidence must be submitted. If VA fails to inform the Veteran of these time limits, the period of submission of the evidence is adjusted in accordance with 38 CFR 21.32.

(2) Date VA Receives Notice of the Dependent's Existence  
(Change Date November 7, 2013)

The effective date of the increase will be the date VA receives notice of the dependent's existence if both of the following apply:

- VA receives the claim for the increase more than 1 year after the date of entrance or reentrance.
- VA receives any necessary evidence within 1 year of the date VA requested the evidence and informed the Veteran of the time limits that the evidence must be submitted. If VA fails to inform the Veteran of these time limits, the period of submission of the evidence is adjusted in accordance with 38 CFR 21.32.

(3) Date VA Receives All Necessary Evidence  
(Change Date November 7, 2013)

The effective date of the increase will be the date VA receives all necessary evidence if that evidence is received more than 1 year from the date VA requested the evidence and informed the Veteran of the time limits that the evidence must be submitted. If VA fails to inform the Veteran of these time limits, the period for submission of the evidence is adjusted in accordance with 38 CFR 21.32.

(b) Dependency Arises After Entrance or Reentrance into a Rehabilitation Program  
(Change Date November 7, 2013)

If the Veteran acquires a dependent after he/she enters or reenters a

rehabilitation program, the increase will be effective on the latest of the following dates:

- (1) Date of the Veteran's marriage, birth of his/her child or his/her adoption of a child, if the evidence of the event is received within 1 year from the date of the event.
- (2) Date notice is received of the dependent's existence if evidence is received within 1 year from the date VA requested the evidence and informed the Veteran of the time limits during which this evidence must be submitted. If VA fails to inform the Veteran of these time limits, the period for submission of the evidence is adjusted in accordance with 38 CFR 21.32.
- (3) Date VA receives evidence of the dependent's existence if this date is more than 1 year after VA requested this evidence and informed the Veteran of the time limits during which this evidence must be submitted. If VA fails to inform the Veteran of these time limits, the period for submission of the evidence is adjusted in accordance with 38 CFR 21.32.

(c) Special Considerations Related to Same-Sex Spousal Claims  
(Change Date November 10, 2015)

On June 26, 2013, the Supreme Court held, in *United States v. Windsor*, that section 3 of The Defense of Marriage Act (DOMA) violates the Fifth Amendment by discriminating against same-sex couples who are lawfully married under state law. As a result, on September 4, 2013, the United States Attorney General announced that the President had directed the Executive Branch to cease enforcement of 38 U.S.C. 101(3) and 101(31), to the extent they preclude provision of Veterans' benefits to same-sex married couples. Accordingly, VA no longer enforced the above-mentioned statutory provisions or VBA's implementing regulation (38 CFR 3.50), to the extent that they preclude provision of Veterans' benefits to same-sex married couples. However, VA was still precluded from recognizing a Veteran's same-sex marriage where the Veteran and the Veteran's spouse resided in a state that did not recognize same-sex marriage at the time of the marriage and at the time of application for benefits.

On June 26, 2015, the Supreme Court held in *Obergefell v. Hodges* that the Fourteenth Amendment of the U.S. Constitution requires a state to license a marriage between two people of the same sex and to recognize a marriage between two people of the same sex when their marriage was lawfully licensed and performed out-of-state.

Accordingly, VA may now recognize the same-sex marriage of all Veterans for VA purposes.

The effective date of a same-sex spousal claim must be determined as follows:

- (1) If the claim was pending or open upon direct review as of September 4, 2013, the effective date should be assigned under 38 U.S.C. § 5110 and 38 C.F.R. § 3.400, as if the laws barring VA's recognition of same-sex marriage had never been in effect.
- (2) If the claim was received after September 4, 2013, VA should apply U.S.C. § 5110(g) and 38 C.F.R. § 3.114, if applicable, to assign an effective date as early as September 4, 2013, if to do so would be to the claimant's benefit. However, the effective date may not be retroactive for more than one year from the date of receipt of the claim. To be entitled to benefits for up to one year prior to the date of the claim under 38 C.F.R. § 3.114, the claimant must have met all eligibility criteria on the date of the liberalizing change in law. For these purposes, the date of the liberalizing change in law is September 4, 2013, and a claimant may be considered to have met the marriage eligibility criteria on that date if they were actually married as of that date, even if their state of residence did not then recognize the marriage.

#### 10. Adjusting the Veteran's Award Due to the Loss of a Dependent(s) (Change Date November 7, 2013)

In most situations, VA uses the end-of-month rule when adjusting a Veteran's award to reflect loss of a dependent. Under this rule, VA continues to pay the Veteran for the dependent through the end of the month in which the event that resulted in the loss took place. This means that the effective date of the reduced rate is the first day of the month following the date of loss.

##### (a) Loss of a Spouse (Change Date November 7, 2013)

The end-of-month rule applies to loss of a spouse due to one of the following reasons:

- Divorce
- Annulment
- Death

(b) Loss of a Child  
(Change Date November 7, 2013)

The end-of-month rule also applies to loss of a child due to one of the following reasons:

- Marriage
- Death
- Discontinuance of school attendance if between the ages of 18 and 23

(c) Age of a Child  
(Change Date November 7, 2013)

VR&E staff should be aware that the end-of-month rule does not apply when a Veteran's child turns 18 or 23 years old. In order to be considered a child for VA purposes, the individual must be under age 18; or be between the ages of 18 and 23, pursuing a course of instruction at an approved educational institution, and is one of the following:

- A legitimate child,
- A legally adopted child, or
- A stepchild who is a member of the Veteran's household.

In either of these instances, the effective date of the reduced rate is the day before either the child's 18<sup>th</sup> or 23<sup>rd</sup> birthday.

c. Changes in Subsistence Allowance  
(Change Date November 7, 2013)

In some situations, the case manager will need to make changes to an award during a Veteran's rehabilitation program. Example: if an award for subsistence allowance has been processed at the full-time rate and the Veteran informs the case manager that he/she has reduced to the half-time rate, the case manager should ensure that the Veteran has notified the VA Certifying Official at his/her training facility so that a new certification can be generated in a timely manner.

Once the new certification is received, the case manager must make changes to the existing award as soon as possible to avoid an overpayment. 38 CFR 21.324(i) indicates the effective date is the last date of the month that the

reduction occurred assuming mitigating circumstances exist. Refer to M28R.V.B.8 for more information on mitigating circumstances.

It is important to note that case managers do not need to prepare a subsistence allowance award for a change in training hours that does not cause a change in rate of pursuit. Example: if the Veteran reduces training from 18 to 15 semester hours, both 18 and 15 semester hours are considered full-time training. The case manager's original authorization for payment of tuition, fees, books and supplies should continue to be valid. Refer to M28R.V.B.8 guidance on withdrawals.

d. Payment of Subsistence Allowance under Special Conditions

1. Hospitalized Veteran  
(Change Date November 7, 2013)

When a Veteran is receiving compensation at the temporary 100% rate while hospitalized at VA expense, the total amount of subsistence allowance, plus the amount of temporary compensation, must not exceed the greater of one of the following:

- The amount of monthly subsistence or other allowance that the Veteran would otherwise be paid plus the amount of monthly compensation that would be paid to the Veteran if he/she were not receiving compensation at the temporary rate (see 38 U.S.C. 1114 for current disability rates); or
- The amount of monthly compensation payable under 38 U.S.C. 1114(j) of this title (\$2,393 in 2013).

A Veteran pursuing a rehabilitation program while in post-hospital convalescence must be paid his/her regular rate of subsistence allowance.

Example 1: A Veteran with no dependents who is attending training at the full-time rate (\$585.11) and usually receives compensation at the 80% rate (\$1,277), totaling \$1,862.11, would not be eligible to receive subsistence allowance since the subsistence allowance combined with the temporary 100% rate (\$2,393) equals \$2,978.11 which is greater than \$1,882.11. Therefore, the Veteran should receive only the temporary 100% rate and no subsistence allowance. It is important to note that the effective date of the termination is the date before the beginning date of the increased disability compensation award, which results in a reduced subsistence allowance (38 CFR 21.324).

Example 2: A Veteran who is attending training at the full-time P911SA

rate in Washington, DC (\$2,193) and usually receives compensation at the 80% rate (\$1,277) totaling \$3,470, would receive a reduced subsistence allowance since the subsistence allowance combined with the temporary 100% rate (\$2,393) equals \$4586 which is greater than \$3470. The subsistence allowance would be reduced to the difference between the temporary 100% rate (\$2,393) and the total amount of subsistence and regular compensation (\$3,470), which equals \$1,077. This means that the Veteran's subsistence allowance will be reduced from \$2,193 to \$1,077 while hospitalized and receiving the temporary 100% rate. It is important to note that the effective date of the termination is the date before the beginning date of the increased disability compensation award (38 CFR 21.324).

Example 3: A Veteran who is attending training at the full-time Chapter 30 rate (\$1,564) and usually receives compensation at the 20% rate (\$218), totaling \$1,782, would receive no monthly Chapter 30 allowance since the allowance combined with the temporary 100% rate (\$2,393) equals \$3,957 which is greater than \$1,782. The Veteran would receive only the temporary 100% rate. It is important to note that the effective date of the termination is the date before the beginning date of the increased disability compensation award (38 CFR 21.324).

2. Specialized Rehabilitation Facility  
(Change Date November 7, 2013)

A Veteran in a specialized rehabilitation facility will be paid the regular rate of subsistence allowance at the institutional rate. VA may pay the cost of room and board in lieu of subsistence allowance when each of the following applies:

- The specialized rehabilitation facility requires that similarly circumstanced persons pay the same charges for room and board.
- The case manager finds, and the Veteran agrees, that it is to his/her advantage for VA to pay the cost of room and board.

It is important to note that the Veteran is still eligible for only the amount of subsistence allowance payable for his/her dependents even when VA pays the cost of room and board.

3. Extended Evaluation and Independent Living Program  
(Change Date November 7, 2013)

A Veteran in a program of extended evaluation or an Independent Living (IL) program may be paid subsistence allowance for full, three-quarter, or

half-time participation at the rate specified for institutional training in accordance with 38 CFR 21.260. It is important to note that per 38 CFR 21.260, subsistence allowance is not payable when pursuing a plan at less than half-time unless a determination of reduced work tolerance has been made or unless one-quarter time is allowable under an Individualized Extended Evaluation Plan (IEEP). If an extended evaluation or IL program is pursued on a less than a quarter-time basis, VA will only pay established charges for services provided. The procedures for processing an original or amended award found in M28R.V.B.8 should be followed when processing subsistence allowance for Veterans participating in an extended evaluation or IL program.

4. On-the-Job Training (OJT)  
(Change Date November 7, 2013)

OJT provides eligible Veterans with the opportunity to obtain training and practical job experience concurrently. Veterans who are entitled to training under the VR&E program are eligible to participate in the OJT program when determined appropriate by a case manager. A Veteran can be paid a monthly subsistence rate of the difference between the journeyman wage and the training wage, not including overtime, but not more than the Chapter 31 Subsistence Allowance rate allowed (refer to Appendix AO, Chapter 31 Subsistence Allowance Rate of Pay). It is important to note that subsistence allowance is paid to Veterans participating in the OJT program at the full-time rate only. A standard full-time workweek is 40 hours unless the employing agency defines full-time as less than 40 hours for all employees in the particular position approved for OJT. Refer to M28R.V.B.8 for more guidance on processing subsistence allowance for Veterans participating in the OJT program.

(a) Wage Schedule  
(Change Date November 7, 2013)

The Veteran's employer must document the wage schedule to be paid to the Veteran while in the program and must specify the journeyman wage for the job. This information must be provided by the employer on company letterhead, and must be signed by the employer. The Veteran's wages should gradually increase as he/she completes the OJT program. If there is a change in either the journeyman or the training wage, the subsistence award should be adjusted accordingly. An example wage schedule is demonstrated as follows:

- Journeyman salary = \$2000/month
- Duration of OJT = 12 months

- Wages for first 4 months = \$1200/month
- Wages next 4 months = \$1500/month
- Wages last 4 months = \$1800/month
- Wages at end of program = \$2000/month

Employers must complete and submit VAF 28-1905c each month to the case manager for review. This form documents attendance, progress and the change in wage status so that the subsistence award amounts can be adjusted as the Veteran gains proficiency and moves toward journeyman wages. The original form should be submitted to VA no later than the 10<sup>th</sup> day after the end of each month.

(b) Determining OJT Monthly Subsistence Allowance  
(Change Date November 7, 2013)

The following example explains how to determine an OJT Monthly Subsistence Allowance:

(1) Determine Current Training Wage

The Veteran's current training wage earned is \$1200/month (see example Wage Schedule wages for first 4 months).

(2) Determine the Monthly Journeyman Salary

The monthly journeyman salary is \$2000/month (see example Wage Schedule for journeyman salary).

(3) Determine the Difference Between the Two Amounts

The following explains how the difference in these amounts is the amount of subsistence allowance the Veteran will receive each month:

- In this example, take \$2,000.00 and subtract \$1,200.00 and the subsistence equals \$800.00.
- It is important to note that the subsistence allowance can never exceed the amounts specified in Appendix AO, Chapter 31 Subsistence Allowance Rate of Pay (e.g. a Veteran without dependents cannot receive more than \$511.58 per month in subsistence in 2013 even if the difference between the current training wage and the journeyman wage is \$800.00).

(c) P911SA  
(Change Date November 7, 2013)

For a Veteran who is participating in the OJT program and has elected the P911SA rate of payment, process the award based on the wage schedule. A payment of the P911SA must not exceed the difference between the monthly training wage, not including overtime, and the journeyman wage for the Veteran's objective. Calculate the difference between the journeyman and training wage for each period. For each payment period, enter the lesser of either the full-time rate (refer to Appendix AW, Calculating Rate of Pay for P911SA) or the difference between the journeyman and training wage.

Example: a Veteran who is attending training at the full-time P911SA rate in Washington, DC (\$2,193) cannot receive more than the difference between the current training wage and the journeyman wage (\$800.00) based on the example from the previous page.

5. Non-Paid Work Experience (NPWE)  
(Change Date November 7, 2013)

In accordance with 38 CFR 21.266(c), a Veteran participating in a NPWE must receive subsistence allowance at the institutional rate (refer to Appendix AO, Chapter 31 Subsistence Allowance Rate of Pay). Full-time NPWE is defined as an unpaid work experience that meets the criteria in CFR 21.299 and the definition of full-time at the employing organization. A standard full-time workweek is 40 hours unless the employing agency defines full-time as less than 40 hours for all employees in the particular position approved for the NPWE. In that instance, full-time will be the number of hours specified by the employer for that position. It is important to note that NPWE may be pursued on a less than full-time basis (38 CFR 21.79(f)(3)(ii)). This means that if the Veteran is participating in NPWE on a less than full-time basis, a payment of subsistence allowance is based upon a proportionate amount of a work week. Example: if the standard work week is 40 hours, three-quarter time is at least 30 hours, but less than 40 hours; and half-time is at least 20 hours, but less than 30 hours.

Employers must complete and submit VAF 28-1905c each month to the case manager for review. This form documents attendance and progress. The original form should be submitted to VA no later than the 10<sup>th</sup> day after the end of each month.

(a) Combining NPWE With Other Training  
(Change Date November 7, 2013)

Subsistence allowance for both NPWE and NPWE combination training must be paid at the institutional rate when total training time is at least half-time. If the employer's standard full-time work schedule is less than 40 hours, the number of hours the employer considers full-time will be used to calculate the training time of the NPWE or NPWE portion of the combination training (full-time, three-quarter time, half-time and one-quarter time). NPWE that is quarter-time may be used to calculate subsistence allowance for NPWE combination training, but not for training that is solely NPWE.

When P911SA has been elected, the zip code of either the NPWE agency or the training facility may be used to ensure that the greater benefit is provided to the Veteran. VR&E staff should carefully consider a Veteran's circumstances and rehabilitation needs before approving NPWE combination training that amounts to more than full-time. Refer to Appendix AP, Rate of Pay for NPWE for more guidance.

(b) Duration of NPWE  
(Change Date November 7, 2013)

NPWE or NPWE combination training may be authorized for a period of 2 to 6 months by the case manager. An extension of up to 1 year may be authorized with the concurrence of the VR&E Officer. The VR&E Officer may extend a period of NPWE or NPWE combination training beyond 1 year if individual circumstances indicate that the extension is necessary to achieve rehabilitation. Justification of an extension for up to an additional 6 months, for a total period of NPWE not to exceed 18 months, must summarize the results of the first year of experience (including benefits and concerns) and specify how the additional period is needed to achieve rehabilitation. The VR&E case manager must document the justification on VAF 28-1905d and file in the center portion of the Veteran's VR&E record, or document in a CWINRS note.

e. Leave of Absence  
(Change Date November 7, 2013)

VA may approve a leave of absence under certain conditions. A leave of absence may be approved when a Veteran is not attending any of the following:

- Training, as defined by the educational institution, rehabilitation center or sheltered workshop.
- Work, as defined by the rules of the training establishment; or participating in a scheduled period of individual instruction.

During an approved leave of absence, a Veteran in receipt of subsistence allowance must be considered to be pursuing a rehabilitation program. Further guidance on approving a leave of absence is outlined in M28R.V.A.6.

f. Incarcerated Veterans  
(Change Date November 7, 2013)

In accordance with 38 CFR 21.276, an incarcerated Veteran is any Veteran incarcerated in a Federal, State, or local prison for a felony. It does not include a Veteran who is participating in the VR&E program while living in a halfway house or participating in a work-release program. A subsistence allowance must not be paid to an incarcerated Veteran convicted of a felony, but VA may pay all or part of the Veteran's tuition and fees. Refer to M28R.V.D.3 for more information on incarcerated Veterans.

3.05. Payment for Services, Supplies and Training  
(Change Date November 7, 2013)

Costs of services provided to Veterans through a rehabilitation program will be paid by VA under 38 CFR 21.262(b) and the provisions of applicable VA Acquisition Regulation (VAAR), especially VAAR 831.70 and 871.1. Specific guidance on supplies and equipment is discussed in M28R.V.A.4. Refer to M28R.V.A.5 for specific guidance on medical treatment and services. Procedures for authorizing and processing payment for services from training facilities are discussed in M28R.V.B.7.

a. Direct Reimbursement  
(Change Date July 2, 2014)

Direct reimbursement is appropriate when a facility bookstore does not carry required supplies or a vendor does not accept the government purchase card. Reimbursement to a Veteran for the purchase of supplies or services should be the last available option and should not be utilized unless there is no other way to obtain the supplies in a timely manner. A Veteran who is attending a facility that does not have a bookstore on campus or who is participating in an online training program should be given VAF 28-1905 to authorize payment for books and supplies at a local facility bookstore that has been approved and has a valid facility code before considering direct reimbursement.

1. Prior Approval  
(Change Date November 7, 2013)

The VR&E case manager must determine that the Veteran needs the requested item to achieve a rehabilitation goal and must authorize the

item before the Veteran can obtain it. To ensure timely delivery of the supplies, the VR&E case manager should receive all requests for reimbursement within the first two weeks of a course or term. Requests for reimbursement must be received in writing from the Veteran. An email from the Veteran meets this requirement. VA must not reimburse a Veteran who buys supplies without prior VA authorization unless the case manager determines that the Veteran was acting in good faith to obtain the required supplies or the Veteran is participating in an approved retroactive induction plan of services. The case manager must discuss the reasons that the Veteran made the purchase without prior approval, document the discussion and the final determination on VAF 28-1905d and file in the center portion of the Veteran's VR&E record, or in a CWINRS note.

It is important to note that if reimbursed expenses are for incidental goods and services (not required program costs), the Veteran's expenses cannot exceed \$1,250 per year without the signature of the VR&E Officer. Refer to M28R.V.A.1 for more guidance on providing incidental goods and services.

## 2. Required Supplies (Change Date November 7, 2013)

In accordance with VAAR 831.70, VA may provide reimbursement for the supplies, to include books, equipment, or other supplies, that all students taking the same course or courses are required to own. VA may also provide reimbursement for items that the facility does not specifically require for pursuit of the course, but that VA determines are needed. In no instance will VA provide reimbursement for supplies in a greater variety, quality, or amount than required of non-Veteran students. An item is not considered to be required if it is just requested, desirable to have, or necessary for a future profession or job but not required by the facility for all students in the course. The determination that the Veteran needs the supplies must be documented by the case manager on VAF 28-1905d and filed in the VR&E record, or documented in a CWINRS note. It is important to note that partial payment agreements (VA sharing payment with the Veteran) are prohibited in accordance with VAAR 831.70. Refer to M28R.V.A.4 for further guidance on determining if supplies and equipment are required.

If the Veteran incurred costs for training or other rehabilitation services related to training, and the case manager determines that the training and/or other rehabilitation services related to training were reasonably needed to achieve the goals of the self-employment plan, then those costs can be reimbursed per 38 CFR 21.282(c). The provision of service is

based on category assignment.

3. Required Documentation  
(Change Date November 7, 2013)

A Veteran must submit the following documentation in order to be eligible to receive a direct reimbursement:

- A written request for the reimbursement prior to making the purchase, if applicable.
- A written justification for the purchase.
- An itemized receipt with proof of purchase, or an itemized list of items with bank or credit card statements to substantiate cost and proof of purchase.
- A course syllabus documenting need, if applicable.

Justification of the need for supplies or equipment purchased outside a training facility must be included in, or attached to, VAF 28-1905m. The VR&E case manager is responsible for ensuring that appropriate justification is received from the Veteran, the training facility or other service provider. The VR&E Officer must ensure that procedures for the purchase of supplies and equipment are properly implemented. Refer to M28R.V.A.4 for additional information.

VAF 28-1905m must be completed when supplies and equipment are procured outside of a training facility. Refer to M28R.V.B.5 for guidance on completing VAF 28-1905m. The Veteran must sign and date VAF 28-1905m to verify receipt of the item(s) purchased before processing the reimbursement. VAF 28-1905m must be filed, along with copies of the receipts and proof of purchase, in the VR&E record. It should be noted that bank and credit card statements can be used as proof of purchase if it is not clearly annotated on the receipt.

b. Processing a Direct Reimbursement  
(Change Date November 7, 2013)

To process a direct reimbursement, VR&E staff must enter reimbursement information correctly in CWINRS to reflect dates, Veteran information and invoice information. Refer to the CWINRS User Guide, Chapter 7.5.2 for instructions on entering direct reimbursement information in the Add/Edit/View Direct Reimbursement Payment screen.

SF 1034 must be used to document the purchase of supplies. This form can

be found in the CWINRS Forms/Letters screen. This screen is accessed as either a list of Letters or Forms depending on which button was selected from the View Folders screen. A copy of the SF 1034 must be filed on left side of the Veteran's VR&E record. The original SF 1034 must be sent to the Finance activity, along with the original receipts, if available. The Finance activity can then process the payment directly to the Veteran through the Financial Management System (FMS). Finance uses the Veteran's Claim Number or Social Security Number (SSN) to access direct reimbursements and adds the code of WINVET to indicate to the Treasury that the payment is not taxable and should not be added to personal income. The method used to submit forms to the Finance activity may vary according to local policies.

3.06. Employment Adjustment Allowance (EAA)  
(Change Date November 7, 2013)

Public Law 104-275 restricts the authorization and payment of the employment adjustment allowance (EAA). VA may pay the EAA only while an otherwise eligible Veteran satisfactorily follows a program of VA-approved employment services under 38 U.S.C. 3104(a)(5). Since this program of employment services is subject to the 12-year eligibility period, or any extension of this period allowed under 38 U.S.C. 3103(b), (c), or (d), the EAA may only be paid for authorized periods within the eligibility period. A case manager may not authorize an EAA solely because the Veteran has achieved rehabilitation to the point of employability.

a. Policy  
(Change Date November 7, 2013)

A case manager may only authorize EAA payment for a Veteran who has satisfactorily followed a program of VA approved employment services under 38 U.S.C. 3104(a)(5). This means that a Veteran's case must have progressed through Rehabilitation to the Point of Employability (RTE) status to Job Ready status following the provision of services under an IWRP. Short-term training may be provided in RTE status to enable the Veteran to become job ready, such as resume preparation, job seeking and interview skills. A veteran who achieves rehabilitation to the point of employability and is declared job ready may qualify for Employment Adjustment Allowance (EAA), however, EAA may not be paid if training is not provided at a VA-approved facility, except as specified in 38 CFR 21.268(c). There must be a documented declaration of job-readiness by the case manager in the VR&E record at the time the Veteran's case is placed in Job Ready status. An Individualized Employment Assistance Plan (IEAP) must have been developed as part of the IWRP, prior to assignment to Job Ready status. The Veteran must satisfactorily participate in the services planned in the IEAP for a period of 30 days before a payment of EAA may be authorized. If authorized, EAA

will be processed at the full-time rate for the type of program the Veteran was last pursuing. This includes authorization of EAA at the Post 9/11 subsistence allowance rate, if the Veteran elected that rate while in EP or RTE status.

b. Criteria for EAA Payment  
(Change Date November 7, 2013)

Prior to the authorization of EAA, the case manager must make a determination if the Veteran meets the following criteria:

1. Completion of IWRP Objectives  
(Change Date November 7, 2013)

The Veteran has completed the objectives outlined in his/her IWRP. However, the Veteran may meet this condition even if he/she has not completed all the services prescribed in his/her IWRP. The case manager will consider the period of rehabilitation to the point of employability to be completed if, on or before the Veteran's eligibility termination date (ETD), the Veteran leaves his/her program without completing all planned services under one of the following conditions:

- (a) The Veteran has completed a sufficient portion of the services prescribed in his/her IWRP to establish clearly that he/she is generally employable as a trained worker in the occupational objective established in the IWRP.
- (b) The Veteran accepts employment in the occupational objective established in his/her IWRP with wages and other benefits commensurate with wages and benefits received by trained workers in that objective.

2. Declaration as Job Ready  
(Change Date November 7, 2013)

The Veteran has been declared job ready and the case manager has determined that there are no impediments in the Veteran's ability to conduct employment search activities, or to maintain suitable employment.

The case manager conducts the assessment and ensures the following information are obtained and completed:

- Official transcript of records or certificate/diploma.
- Completed resume for Veterans seeking employment.

- Developed and signed IEAP.
- Completed license or certification, if applicable.

An unofficial transcript of records may be used for the determination; however, the case manager must follow up in obtaining the official records, if possible.

Additionally, the case manager must ensure that Veteran's declaration of job readiness is clearly explained and documented on VAF 28-1905d or CWINRS Notes. The documentation, together with items cited in Paragraph (a) of this section, must be placed in the VR&E record.

3. Development of the IEAP  
(Change Date November 7, 2013)

An Individualized Employment Assistance Plan (IEAP) has been developed and signed by the case manager and the Veteran. An employment objective may be developed as part of the original IWRP; however, the case manager must ensure that the employment plan and the period of services are current or updated. Additionally, requirements for authorization and payment of EAA must be specified on the IEAP.

An IEAP must clearly outline the services being provided to the Veteran. The employment services may be provided through the following:

- (a) Placement Service that includes assistance in Veteran's employment search.
- (b) Post-placement Service that includes assistance in Veteran's ability to maintain employment.

4. Eligibility Termination Date (ETD) Has Expired and/or Entitlement Has Been Exhausted  
(Change Date November 7, 2013)

Unless the Veteran has been determined to have a serious employment handicap (SEH), the Veteran must be within his/her 12-year period of eligibility to receive EAA. The case manager must make an SEH redetermination if a Veteran's ETD will expire before completion of his/her vocational rehabilitation program. This determination must be clearly explained and documented on VAF 28-1902n, Counseling Record – Narrative Report (Supplemental Sheet).

For a Veteran with no SEH, if the ETD expires before a full 30-day period, the EAA is prorated and the Veteran is paid only for the days within the

eligibility period. For example, a Veteran submits documentation that he/she has successfully followed her program of employment services from June 2, 2007 through to July 1, 2007; however, the eligibility period expires June 18, 2007. This Veteran will be paid only for the number of days within his/her eligibility period, or 17 days in this case.

A Veteran who has exhausted all of his/her entitlement to Chapter 31 and is entitled to EAA payment will be paid in the same manner as the regular out-of-system EAA payment. Employment services may be provided during a Veteran's period of eligibility even though he/has no remaining entitlement.

#### 5. Satisfactory Participation in Employment Services (Change Date November 7, 2013)

The case manager is responsible for making the determination that a Veteran has been successfully participating in a program of employment services for at least 30 days before authorizing an EAA payment.

The case manager may use information obtained from the Veteran directly, a Disabled Veterans' Outreach Program (DVOP) representative, a Local Veterans' Employment Representative (LVER), a VA contractor, or an employer.

The case manager must provide details and document that the Veteran has satisfactorily participated and followed the planned employment services for no less than 30 days. This means that the Veteran has fulfilled the requirements of the IEAP for the period being considered for payment.

In addition, the case manager must clearly explain and document that the Veteran is following the objectives of the IEAP such as satisfactorily conducting employment search, or adequately adjusting in his/her employment for a period of 30 days. The narrative must be documented on VAF 28-1905d or CWINRS Notes, and must include the following information:

- Date of contact with Veteran.
- Method of contact (face-to-face, telephone, email, etc.).
- Information regarding Veteran's progress in his/her job search or current employment.

This narrative, as well as all supporting documentations, such as the Veteran's job search logs, must be filed in the Veteran's VR&E record.

## c. Authorizing EAA

1. Criteria for Authorization  
(Change Date November 7, 2013)

The case manager may authorize EAA payment only after the Veteran has been declared job ready, CWINRS is updated with the change to Job Ready status, and there is documented contact verifying Veteran's satisfactory participation in employment services for no less than 30 days.

The case manager must not authorize EAA payment in advance, or prior to the end of the 30-day period.

The case manager must authorize payment for EAA in two separate 30-day periods. Generally, these are consecutive payments. However, under certain circumstances, the Veteran may not meet the requirements for the second payment immediately following the first one.

2. VAF 28-0846, Employment Adjustment Allowance Authorization  
(Change Date November 7, 2013)

The EAA authorization form, VAF 28-0846, is required to document the authorization of EAA.

## 3. Rate of Payment

(a) Regular EAA Payment  
(Change Date November 7, 2013)

EAA must be paid at the Chapter 31 full-time rate of subsistence allowance for the Veteran's type of training that he/she completed. See Appendix AO, Chapter 31 Subsistence Allowance Rates for specific rates for the following types of training programs:

- Institution of Higher Learning (IHL)
- Farm Cooperative
- Apprenticeship
- Non-paid Work Experience (NPWE)
- On-job training (OJT) at no or nominal pay in a Federal agency
- Training in the Home Program

- Independent Instructor Program
- Cooperative Program
- Self-employment Program

EAA must be paid at the rate in effect for the period being authorized. If rate of payment of the EAA changes during an authorized period, such as change in the number of a Veteran's dependents or increase in an annual cost of living (COLA), this change must be reflected on VAF 28-0846.

Example: the period of EAA authorization is from 9/15 through 10/15. EAA will be paid at the previous rate from 9/15 through 9/30, and at the new rate from 10/01 through 10/15, to adjust for COLA.

(b) Veteran Elects to Use Chapter 30 Rate of Payment  
(Change Date November 7, 2013)

When a Veteran elects to use Chapter 30 rate of payment while receiving vocational training under the Chapter 31 program, and completes the training, he/she may be entitled to EAA payment. However, the Veteran must re-elect Chapter 31 subsistence allowance to become effective the day the Veteran's case is placed into the Job Ready status as outlined in 38 CFR 21.268(b). The case manager must ensure that the requests and actions taken are properly documented on VAF 28-1905d or CWINRS Notes and filed in the Veteran's VR&E record.

Additionally, the case manager must make the required determination for authorization of EAA and ensure that the Veteran participates satisfactorily in a plan of employment services.

(c) Veteran Elects to Receive Post 9/11 Subsistence Allowance (P9/11SA)  
Rate of Payment  
(Change Date July 2, 2014)

A Veteran who elects to receive P911SA in lieu of Chapter 31 subsistence allowance may be entitled to EAA payments. The EAA rate of payment will be the same as the P911SA full-time rate of payment for the type of training that the Veteran completed (refer to Appendix AW, Calculating Rate of Pay for P911SA). If the rate is less than the previous year, determine whether the Veteran qualifies for continued payment at the previous year's rate. Veterans who had continuously attended the same facility with no more than a 6 month break in

training must be grandfathered in at the higher rate of pay. Refer to section 3.04.c.5 of this chapter for more information on rate protection when the BAH is reduced by the Department of Defense. See Appendix AA, Rate of Pay for Post-9/11 Subsistence Allowance for specific rates and training programs.

Additionally, the case manager must make the required Job Ready determination (see section 3.06.b of this chapter for criteria for EAA payment) and ensure that the Veteran participates satisfactorily in a plan of employment services.

d. Retroactive Payment of EAA  
(Change Date November 7, 2013)

A case manager may only authorize retroactive payment of EAA in the instance an administrative error has been established, such as when VA has failed to follow proper case management procedures. The case manager must clearly document the administrative error on VAF 28-1905d or CWINRS Notes.

In addition to the establishment of the administrative error, the case manager determines that the Veteran has been "Suitably Employed" and has satisfactorily adjusted to that employment, and an IEAP or a combined IWRP/IEAP for placement services has been signed by the case manager and the Veteran. The EAA may be paid retroactively to the date suitable employment began.

If follow-up indicates that a Veteran has been satisfactorily participating in job search activities as part of an IEAP, the EAA may be paid retroactively from the date those job search activities began. The case manager must ensure evidentiary documents, which support the Veteran's job search activities, are included in the VR&E record.

In both situations, a retroactive declaration that the Veteran is "Job Ready" must be made and documented on the same VAF 28-1905d or CWINRS Notes. The job-readiness declaration should specify the following:

- Date the Veteran actually became job ready.
- Date the actual decision was made.
- Justification for the declaration.
- Explanation of why a retroactive declaration has occurred.

If the delay in documenting the determination of "Job Ready" or "Suitably

Employed” resulted from lack of cooperation or other actions of the Veteran, the EAA may not be paid retroactively. At least 30 days of follow up from the date of renewed cooperation or satisfactory participation by the Veteran must take place before an EAA payment may be authorized.

e. Timeliness of EAA Authorization  
(Change Date November 7, 2013)

EAA should be authorized as soon as there is documented evidence that the Veteran is entitled to payment, but not later than 15 days after receipt of documentation that supports authorization of an EAA payment.

f. System Payments  
(Change Date November 7, 2013)

Both the “Job Ready” declaration and the determination for EAA authorization must be documented in the VR&E record, and the EAA Authorization Form must be completed prior to processing any payment of EAA.

g. Adding Veteran’s Dependents  
(Change Date November 7, 2013)

The Veteran’s dependent(s) must be added in EAA in the same manner as the payment of subsistence allowance in a normal training period.

The method in which the dependents are to be coded for payment of subsistence allowance or EAA is illustrated below:

- Dependency Code
- 00/00 (0) Spouse, (0) Child, or No Dependent
- 81/81 (0) No Spouse, (1) One child
- 11/11 (1) Spouse, (1) One Child (the number increases for each additional child)

h. Employment Differs from IWRP or IWRP Objectives Not Completed

1. Veteran Obtains Employment in the Same Vocational Goal as Outlined in the IWRP Prior to Completion of Training  
(Change Date November 7, 2013)

A Veteran who obtains employment before he/she completes the vocational training delineated in his/her IWRP will not be authorized EAA

payment until he/she has completed the training and the objectives in the IWRP. A case manager must not authorize EAA payment on the sole basis that the Veteran has obtained suitable employment.

However, if the Veteran elects not to complete his/her training, he/she may be entitled to EAA if the case manager determines that he/she has completed a sufficient portion of training to make the Veteran employable. The Veteran is eligible for EAA payment if the case manager determines he/she is job ready and he/she successfully participates in a plan of post-placement services.

2. Veteran Obtains Employment in a Vocational Goal Other than the Goal Outlined in the IWRP, and Veteran Elects not to Pursue Training  
(Change Date November 7, 2013)

A Veteran who obtains suitable employment and elects not to pursue the vocational training outlined in his/her IWRP may be authorized EAA payment only if the case manager determines that the Veteran completed a sufficient portion of training to make him/her employable and that the rehabilitation services provided to the Veteran contributed to his/her employment or employability. The Veteran is eligible for EAA payment if the case manager determines he/she is job ready and he/she successfully participates in a plan of post-placement services.

3. Veteran's Vocational Goal Changed After Interruption of Services  
(Change Date November 7, 2013)

A Veteran, whose case has been placed in Interrupted status and returned to Job Ready (JR) status with a subsequent change in the vocational goal outlined in his/her IWRP, may be paid EAA only if the case manager makes a determination that the Veteran meets the criteria for EAA payment, as described in Section 3.06.b of this chapter and he/she successfully participates in a plan of employment services.

i. Exceptions in Paying EAA

1. Employment Services is the Sole Program of Services  
(Change Date November 7, 2013)

A Veteran will not be authorized payment of subsistence allowance if the only program of services provided is placement or post-placement services as specified under 38 CFR 21.260(c)(2). EAA is not payable to a Veteran whose entire plan of services constitutes employment services only.

However, a Veteran who was previously provided with rehabilitation

services under an IWRP and subsequently provided with employment services only in an IEAP, after a period of interruption or discontinuance of his/her vocational rehabilitation program, may be entitled to EAA payments only if the case manager makes a determination that the Veteran meets the criteria for EAA payment, as described in Section 3.06.b of this chapter, he/she successfully participates in a plan of employment services, and he/she has not been paid EAA previously.

2. Return to Active Military Service  
(Change Date November 7, 2013)

A Veteran who has been recalled, or who returned to active military service while receiving rehabilitation services, is not entitled to EAA payment. The Veteran's status has changed to active Servicemember; therefore, he/she is not eligible to receive EAA payment while on active duty.

3. Pursuit of Further Education  
(Change Date November 7, 2013)

A Veteran whom a case manager declares rehabilitated to the point of employability may elect to continue educational pursuit rather than actively pursue suitable employment consistent with the goal of his/her vocational rehabilitation program. At that point in the rehabilitation process, the Veteran may not receive an EAA despite a declaration of rehabilitation.

Additionally, a Veteran who pursues immediate employment, but who also pursues further training and elects another VA education benefit, cannot receive both the EAA and the non-chapter 31 education benefit for the same period even if the Veteran is following a VA-approved employment services program.

However, the case manager may authorize payment of EAA for a Veteran who elects to pursue further education only if he/she meets all of the following conditions:

- (1) Veteran obtains suitable employment in the vocational goal prescribed in his/her IWRP.
- (2) Veteran satisfactorily participates in a plan of employment services.
- (3) Veteran is not utilizing any VA educational benefits to pursue further education.

j. Procedures for Denial of EAA  
(Change Date November 7, 2013)

The case manager may deny payment of EAA when a Veteran fails to satisfactorily participate or follow his/her approved program of employment services.

1. Informing the Veteran  
(Change Date February 19, 2019)

The case manager must inform the Veteran of the denial of EAA payment by VR&E letter VR-58. The Veteran must also be provided due process along with his/her appellate rights (VAF 20-0998).

2. Documenting Reasons for Denial  
(Change Date February 19, 2019)

The case manager must carefully document the reason(s) for the denial of EAA payment relating the reasons to the specific requirements of the IEAP. This is critical, as this documentation, which details the basis for the denial as related to the provisions of the IEAP, will be the basis for review of the decision in any instance that the Veteran requests a review or an appeal of the decision.

See M28R.III.C.3 for detailed information on reviews and appeals.

3. Veteran Later Agrees to Participate  
(Change Date November 7, 2013)

If a Veteran who had failed to cooperate later agrees to follow a program of employment services, the case manager will repeat the procedures outlined in Paragraph b of this section.

k. Additional Payments of EAA  
(Change Date February 14, 2017)

If a Veteran has ever received an EAA following rehabilitation to the point of employability, he or she may, nevertheless, receive it again when completing an additional rehabilitation program to the point of employability if:

- The prior determination of rehabilitation to the point of employability is set-aside; and
- The Veteran is inducted into a new vocational rehabilitation program as provided in 38 CFR §21.282(a).

Therefore, if a Veteran participated in employment services to include the authorization of EAA and was subsequently determined no longer job ready, warranting plan redevelopment of a new vocational goal (i.e. new Dictionary of Occupational Title (DOT) code), two additional EAA payments may be authorized during the same application period if the criteria for EAA payment as outlined in M28R.V.A.3.06 are met. However, it should be noted, the period of employment assistance is limited to a total of 18 months not including any time in Interrupted status per M28R. VI.A.2.

Prior rehabilitated cases where the previous rehabilitation has been set aside may also receive two additional EAA payments following rehabilitation to the point of employability if criteria outlined in M28R.V.A.3.06 are met.

I. Veteran Affected By A Natural Disaster  
(Change Date July 2, 2014)

If a Veteran lives in an area where a natural disaster is declared by the Governor and/or the President of the United States, then he/she may qualify for additional assistance in accordance with Public Law 112-154. The law allows the VR&E program to provide up to two additional months of EAA payments to Veterans who have been displaced by a natural or other disaster.

To qualify for this benefit, the Veteran must meet each of the following conditions:

- The Veteran must be in Job Ready status at the time of the disaster.
- The Veteran must be currently receiving EAA payments.
- The Veteran must be satisfactorily following a program of employment services at the time of the disaster.

This benefit is applicable to Veterans who have been displaced by a natural or other disaster occurring after August 6, 2013, as long as the Veteran meets the eligibility criteria.

The payment process for the two additional months of EAA under Public Law 112-154 is the same as that discussed in this chapter. The two additional payments must be made subsequent to the initial EAA payments currently authorized under 38 CFR 21.268. Payment of each month of additional EAA will be made following a month of successful participation in employment services. A case will remain open for the period of time needed to receive the additional EAA before declaration of rehabilitation is made.

The case manager must identify the additional payments as a benefit payable

under Public Law 112-154 and document the impact of the disaster by completing the following steps:

1. Complete VAF 28-0846, Employment Adjustment Allowance Authorization.
2. Note on VAF 28-0846 the EAA payment is the 1<sup>st</sup> or 2<sup>nd</sup> additional payment per Public Law 112-154. The Public Law must be cited on the form.
3. Document the natural disaster and the impact on the Veteran. This documentation can be made in CWINRS notes, or on VAF 119.
4. Submit this information to the VR&E Officer, or designee, for approval.
5. Provide a list that includes the Veteran's name, claim number, name of the natural or other disaster and the amount of additional EAA payments on a quarterly basis. Area Offices should compile all responses for their ROs and submit one spreadsheet to the VR&E Corporate mailbox at VAVBAWAS/CO/VRE, with cc to the Office of Field Operations (OFO). This information is due by the 10th of the following months:
  - April
  - July
  - October
  - January

Please note that negative responses are required.

### 3.07. Work-Study Program (Change Date July 2, 2014)

The work-study program offers part-time assistance to Veterans pursuing a rehabilitation program at the full-time or three-quarter time rate. The RPO of jurisdiction administers this program. The VA work-study allowance may be available to Veterans participating in the VR&E program.

#### a. Eligibility (Change Date July 2, 2014)

VA selects students for the work-study program based on the following factors:

- Ability of the Veteran to complete the work-study contract before the end

of his/her eligibility to education benefits.

- Job availability within normal commuting distance to the Veteran (50 miles one-way).

The number of applicants selected will depend on the availability of VA-related work at approved facilities in the local area. Veterans with service-connected disabilities of at least 30% may be given priority consideration.

b. CWINRS Permissions for Work-Study Students  
(Change Date November 7, 2013)

Work-study personnel who need access to CWINRS are to be provided read-only access to CWINRS. Local management will determine whether additional access is required. Additional access should be authorized only to the extent needed to perform the duties assigned.

See M28R.VI.A.11 for procedural information on the work-study program. More information about the work-study program can be found at <http://www.benefits.va.gov/gibill/workstudy.asp>

3.08. Revolving Fund Loan (RFL)  
(Change Date November 7, 2013)

A RFL is a non-interest loan from the revolving fund established in accordance with 38 U.S.C. 3112 and 38 CFR 21.274. The loan may be granted to a Veteran who is not financially able to begin, continue, or reenter a Vocational Rehabilitation and Employment (VR&E) plan of services without assistance.

Refer to M28R.V.B.9 for more information about RFL.