



# FAQ's for Post 9/11 GI Bill Education Benefits

## 1. Are VA Education Benefits Taxable?

No. Any veterans' benefits paid under any law administered by the Department of Veterans Affairs (VA) should not be reported as income to the Internal Revenue Service (IRS). You will not receive a W-2 from the VA.

### Per IRS Publication 970:

"Payments you receive for education, training, or subsistence under any law administered by the Department of Veterans Affairs (VA) are tax free. Do not include these payments as income on your federal tax return.

If you qualify for one or more of the education benefits discussed in chapters 2 through 13\*, you may have to reduce the amount of education expenses qualifying for a specific benefit by part or all of your VA payments. This applies only to the part of your VA payments that is required to be used for education expenses.

### Example:

You have returned to college and are receiving two education benefits under the latest GI Bill:

- \$1,534 monthly basic housing allowance (BAH) that is directly deposited to your checking account and \$3,840 paid directly to your college for tuition.

## 2. Post 9/11 GI Gill Eligibility for Active Duty Veterans

Veterans who have served at least 90 days of active duty service after September 10, 2001 and received an honorable discharge will qualify for the Post-9/11 GI Bill. To qualify for the full benefit a veteran must have served at least 3 years of active duty after September 10, 2001. Those who qualify for the Active Duty GI Bill, the Reserve GI Bill or REAP will have the option to choose which benefit best suits their need.

**For those who served on active duty after 9/10/2001, the following chart applies:**

Member Serves	Percentage of Maximum Benefit Payable
At least 36 months	100%
At least 30 continuous days on active duty and must be discharged due to service-connected disability	100%
At least 30 months, but less than 36 months	90%
At least 24 months, but less than 30 months	80%
At least 18 months, but less than 24 months	70%
At least 12 months, but less than 18 months	60%
At least 06 months, but less than 12 months	50%
At least 90 days, but less than 06 months	40%

### 3. When will I receive an increase or decrease in my MHA based on BAH changes?

As you may know, the Monthly Housing Allowance (MHA) payments you receive for the Post-9/11 GI Bill are based on the military's Basic Allowance for Housing (BAH) rates for an E-5 with dependents. The Department of Defense adjusts the military BAH rate every calendar year (or January 1) based on changes to housing costs across the country. Rates can either go up or down.

Public Law 111-377 (the Veterans Educational Assistance Improvement Act of 2010) amended the effective date for the adjustment of the MHA you receive under the Post-9/11 GI Bill from the beginning of the calendar year (January 1) to the beginning of the academic year (August 1).

If the BAH increased for your area, you will not see an increase until your September payment for training pursued in August. If the BAH decreases for your area, your MHA amount will not decrease unless you change schools or have more than a six-month break in training.

### 4. What if I receive a failing grade?

If you fail a class you receive what is called a "punitive grade" for that class. A punitive grade is a grade that doesn't count as earned credit, but is used in determining a student's progress toward graduation requirements. This means that the grade you receive counts in your overall degree progress, albeit negatively. Since this grade counts towards your graduation progress you are not required to repay any GI Bill money you received for that class.

You may take the class again in an attempt to receive credit towards graduation or raise your grade for it and you may receive GI Bill payment for the retaking of the class.

### 5. I am enrolled in school. When will I receive my benefits from VA?

Once your school submits your enrollment information, it must be entered into the system by VA. Because VA is generally overwhelmed with enrollments at the start of each semester, it could take up to 6 weeks to process an enrollment during those times. Your patience is appreciated - we will process all of the enrollments in order by the date received.

If you are receiving benefits under MGIB-AD (Chapter 30) or MGIB-SR (Chapter 1606), you must also verify your enrollment at the end of each month in order to receive payment for that month. Benefits are paid after each month of school is completed.

If you're receiving the Active Duty of Reserve GI Bill or REAP you will need to use the Web Automated Verification of Enrollment (WAVE) or call our toll free Interactive Voice Response (IVR) telephone line at 1-877-VA-ECERT (1-877-823-2378) to verify your attendance.

If you are receiving the Post 9/11 GI Bill educational benefits you do not need to verify your attendance.

To access WAVE to verify your enrollment, please refer to the website listed below.

<https://www.gibill.va.gov/wave/index.do>

### 6. My check is less than the amount I was told the monthly rate would be. Why did this happen?

The most common reason a check may be less than the monthly rate is that checks are prorated based on the number of days in the month for which you are enrolled.

**For example:** Your full time rate is \$800.00; however your term starts on August 19th and continues through December 14th. Payment for the month of August would include the 19th to the end of the month. (All months are based on 30 days, so months with more or less than 30 days would not affect the rate). Thus your payment for the month of August would be approximately \$320.00. Payments for September, October, and November would be \$800.00 each month and payment for December would be approximately \$373.36 (prorated from the 1st to the 14th).

Here are other reasons your check might be short:

- An overpayment was deducted from your payment
- You reduced your training time after you received your award letter

## 7. How is my housing allowance paid if I'm not a full-time student?

Under the Post-9/11 GI Bill, a Veteran enrolled at more than one-half time can qualify for a monthly housing allowance based on DoD's Basic Allowance for Housing (BAH) rate for an E-5 with dependents. VA determines eligibility for housing allowance by calculating the rate of pursuit. Rate of pursuit is expressed in a percentage calculated by dividing the number of credits in which the student is enrolled by the number of credits considered to be full time. A student with a rate of pursuit greater than 50% can qualify for the housing allowance.

For undergraduate enrollments, 12 semester or quarter hours are generally required for full-time training. The school submits the term dates and credit hours of the enrollment to VA and we calculate the rate of pursuit. For example, if 12 credits is considered full-time, a course load of 6 credits yields a rate of pursuit of 50% ( $6 \div 12 = .50$ ), whereas a course load of 7 credits yields a rate of pursuit of 58% ( $7 \div 12 = .58$ ). In this scenario, a Veteran would need to enroll for at least 7 credits (such as two 3-credit classes and a 1-credit lab) in order to receive the housing allowance benefits.

### Monthly Housing Allowance Payments

Once the training time is determined, the monthly housing allowance is paid at the nearest 10% level. For instance if your training time is determined to be 58% as calculated above you will be paid 60% of the applicable housing allowance. If your training time is calculated to be 84% you will be paid 80% of the applicable housing allowance.

## 8. Do I get Monthly Housing Allowance (MHA) while enrolled in distance learning?

The effective MHA rate for those enrolled solely in distance learning is \$714.50 a month for the 2013 - 2014 academic year. This amount is 1/2 the national average BAH rate.

## 9. What is the difference between a punitive and non-punitive grade?

If you fail a class you may receive what is called a "*punitive grade*" for that class. This means that the grade you receive earns credit towards your degree, even though it may bring your GPA down. Since this grade counts towards your degree requirements (even negatively) you are entitled to GI Bill benefits for any class you receive such a grade in.

A "*non-punitive grade*" is a grade that doesn't earn credit towards your degree. An example of this may be withdrawal after the drop period; or other things like auditing a class, academic probation, or suspension. Since non-punitive grades don't count towards your degree you may be required to repay any GI Bill money you received for such classes.

## 10. What are mitigating circumstances?

If a student drops a course or withdraws from school after the drop period and receives a non-punitive grade, VA will reduce benefits effective the first day of the term unless mitigating circumstances are found. Mitigating circumstances are circumstances beyond the student's control that prevent the student from continuing in school or that cause the student to reduce credits.

Examples are:

- An illness or injury afflicting the student during the enrollment period.
- An illness or death in the student's immediate family.
- An unavoidable change in the student's conditions of employment.
- An unavoidable geographical transfer resulting from the student's employment.
- Immediate family or financial obligations beyond the control of the claimant that require him or her to suspend pursuit of the program of education to obtain employment.
- Discontinuance of the course by the school.
- Unanticipated active military service, including active duty for training.

- Unanticipated difficulties with childcare arrangements the student has made for the period during which he or she is attending classes.

When a student terminates or reduces after the drop period and a non-punitive grade is assigned, mitigating circumstances are an issue. If mitigating circumstances are needed and adequate evidence of mitigating circumstances is not received with the Notice of Change in Student Status; VA will not pay for the course or courses in question. If the student has already been paid for the course or courses, VA will create an overpayment (subject to the 6-credit hour exclusion) from the beginning of the term, quarter, or semester. If you know what the student's mitigating circumstance is, concisely describe the circumstance in remarks.

For example, you might enter: "Student withdrew 5/6/11 following Father's death on 4/30/11." Submitting the reason for the reduction or withdrawal at the time the change is reported will help the student avoid or reduce an overpayment if the change is for an acceptable reason.

## 11. What causes debts with VA Education Programs?

If you decrease your training time (i.e. drop classes, leave school, etc.) and we have already processed a payment for tuition and fees, an overpayment will occur. When the School Certifying Official (SCO) notifies us of a change, a debt is created against your account. The school will issue any refunds in accordance with their internal policy, which may not fully cover the debt with the VA. If the amount refunded by the school does not satisfy the debt, you are responsible for the remainder.

- If the school refunds money directly to the VA, we will credit your account any amount the school refunds.
- If they refund money directly to you, you must clear the debt with us.

A decrease in your credit hours could also result in changes to your housing allowance and books & supplies stipend. If VA has already issued you a payment for the term a debt will be created on your account.

You are responsible for keeping track of your tuition and fee account balance and payments. Visit your school's financial office regularly to review your account, ensure the charges are correct and that payments and refunds are processed correctly, contact your SCO to ensure the certification information they send to us matches your schedule. Please contact the Debt Management Center if you receive a debt notification from the VA. The Debt Management Center is the authoritative source of *debt collection information*. You can reach them at 800-827-0648 or e-mail them at [dmc.ops@va.gov](mailto:dmc.ops@va.gov)

## 12. Does VA pay for training at less than one-half time?

Yes, benefits can be paid for training at less than half time for all VA education benefit programs.

If you're receiving the Post-9/11 GI Bill and training at less than 1/2 time you will not receive the housing allowance portion of the benefit.

If you're receiving any other benefit program, VA will pay you based on the tuition and fees of your course or courses as reported by your school.

Tuition and fees don't include books and supplies.

## 13. Can I transfer benefits to my dependents?

If you are a member of the Armed Forces on August 1, 2009 and eligible for the Post-9/11 GI Bill, the Department of Defense (DoD) may offer you the opportunity to transfer benefits to your spouse or dependent children. Commissioned officers of the Public Health Service (PHS) and the National Oceanic and Atmospheric Administration (NOAA) are eligible for the transferability option effective August 1, 2011.

While in the Armed Forces, transferors use the Transfer of Education Benefits (TEB) website to designate, modify, and revoke a Transfer of Entitlement (TOE) request. After leaving the Armed Forces, transferors may provide a future effective date for use of TOE, modify the number of months transferred, or revoke entitlement transferred by submitting a written request to VA.

*NOTE: After separating from the Armed Forces individuals cannot designate new dependents to receive transferred entitlement or amend the effective date of the initial transfer of entitlement to an earlier date.*

#### **14. How is my GI Bill entitlement charged?**

You get 36 months of full-time entitlement under most GI Bill programs. In most cases your entitlement is charged according to your training time. Therefore, if you are training fulltime for 4 months you use up 4 months of entitlement, likewise if you are training at 1/2 time for 4 months you use up 2 months of entitlement.

If you are enrolled in an apprenticeship/on-the-job training program your entitlement is charged according to the amount of benefits you are receiving. For more information click [here](#)

If you are enrolled in an accelerated training program your entitlement is charged based on the amount of benefits you utilize. If you would like to know how many months of entitlement you have remaining you can call 1-888-GIBILL-1.