

## Are VA Education Benefits Taxable?

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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.

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

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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.

### Undergraduate

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.*

Some schools offer classes in terms that are shorter than a semester or quarter. This is especially true for online classes and summer enrollments, but some schools offer accelerated terms at brick-and-mortar campuses year round. In these cases, VA calculates weighted "equivalent credit hours" so that fewer credits are required for full-time (and more than half-time) training.

### Graduate

Because graduate level programs vary in the amount of credits required for full-time training, the school provides the training time information to VA in addition to the term dates and credit hours of the enrollment.

### **Monthly Housing Allowance Payments**

Once the training time is determined, the monthly housing allowance is paid at the nearest 10% level. 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.

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

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There are many things that affect when you receive your payments. Your school must submit your enrollment to VA for processing to begin. If it's the first time you are using benefits, it will take longer to process your payment than if you are re-enrolling. In general, it takes about a month to process an original claim, and about a week for a re-enrollment. If VA needs to verify your service, remarks from your certifying official on your enrollment are a couple of examples of things that can make processing longer. Processing times are longer in the fall than during other terms due to the volume of claims VA receives.

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.

[For instructions on how to verify your enrollment click here](#)

You will generally receive payment within two weeks of verifying your enrollment at the end of the month (or within one week if using Direct Deposit).

To check on the status of an Education benefit payment, please call 888-GIBILL-1 (888-442-4551). You can select the option for an automated update, or speak to a claims specialist.

## Refund of the Montgomery GI Bill \$1,200.00 buy-in for Post-9/11 GI Bill recipients?

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Individuals who entered Active Duty after June 30, 1985 OR who served a combination of at least 2 years of Active Duty service and 4 years of Selected Reserve service after June 30, 1985 may qualify to receive a refund of the \$1,200 deduction for the Montgomery GI Bill - Active Duty (Chapter 30) under the Post-9/11 GI Bill (Chapter 33).

- Individuals must have made an irrevocable election to use Chapter 33 by relinquishing benefits under Chapter 30 and had entitlement remaining as of the date of relinquishment of Chapter 30.
- Only individuals who actually made the contributions may receive the refund.
- Individuals must be receiving a housing allowance at the time entitlement exhausts to receive the refund. The refund comes with the last housing payment.
- Individuals receiving transferred benefits are not entitled to the Chapter 30 refund.

The amount of the refund will be equal to the number of months and days the individual had remaining under Chapter 30 divided by 36 months multiplied by \$1200.

**Note: The \$600 buy-up is NOT refundable.**

*For example, if an individual has 20 months and 15 days of entitlement remaining under Chapter 30 prior to relinquishing the benefit in lieu of Chapter 33, then the individual would receive \$683.33 as a refund. The calculation is (20.5 divided by 36, multiplied by \$1200). We converted the days of entitlement remaining into a decimal by dividing the number of days remaining into 30 days.*

## My payment amount is less than the amount I was told the monthly rate would be. Why did that happen?

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The most common reason your payment amount may be less than the monthly rate is that your payments 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

## What if I receive a failing grade?

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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.

## Who's eligible for Dependents' Educational Assistance (Chapter 35) benefits and what can they be used for?

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The Dependents' Educational Assistance program provides education benefits for the spouse and dependent children of a veteran or service member who:

1. Is determined to be permanently and totally disabled from service connected causes, or
2. Is on active duty and is likely to be discharged with a permanent and total disability, or

3. Died in service, or
4. Died of service connected causes, or
5. Is currently missing in action or captured in the line of duty.

This benefit may be used for pursuit of an undergraduate or graduate degree, courses leading to a certificate or diploma from business, technical or vocational schools, apprenticeship, and on-the-job training programs. Benefits for correspondence courses are available to spouses only. The program provides up to 45 months of education or training for beneficiaries who use their Chapter 35 benefits before August 1, 2018 and 36 months of education or training for beneficiaries who use their Chapter 35 benefits on or after August 1, 2018

[For more information about Dependents' Educational Assistance \(Chapter 35\) benefits, please click here .](#)