

10 Things Veterans and Servicemembers Should Know About Their Benefits

Serving your country entitles you and your family to some bespoke financial benefits.

1. **Stay Aware** – Due to their unique financial benefits, veterans, servicemembers, and their families are a much higher target for scammers than the general public. Identity theft and impostor scams are particularly common fraud schemes, as are bogus military charities (**FIGURE 1**).
2. **Connect With Colleagues** – Loneliness can be a particular struggle for servicemembers, and the MIT AgeLab has found that feeling lonely can have the same detrimental health effects as smoking.¹ The VA offers mental health resources, and veterans can reconnect with former military colleagues through Together We Served (togetherweserved.com).
3. **Transferable Education Benefits** – Veterans who have served for at least 36 months since 9/11/01 have access to The Post-9/11 GI Bill to help pay for school or job training. If certain conditions are met, any unused benefits can be transferred to a spouse or dependent children.²
4. **State Tax Breaks** – Active-duty servicemembers and their families can maintain legal residence in a designated home state even if the servicemember is transferred elsewhere for service. This allows families to only pay state income taxes in a single state, their declared state of legal residency.³
5. **Low Loan Rates** – Military families are eligible for a 6% interest-rate cap on auto loans, mortgages, credit cards, and student loans that were taken out before being called to active duty. A rate reduction can be requested in writing at any time during active service or 180 days after release from active duty.⁴
6. **Better Banking Options** – The Defense Department Savings Deposit Program allows active-duty members in combat zones a 10% interest rate on savings up to \$10,000. In addition, the Veterans Benefits Banking Program provides VA benefits via direct deposit and offers access to financial services at participating banks and credit unions.^{4,5}
7. **Increased Eligibility for Discounts** – As of 2020, access to Department of Defense and Coast Guard Commissaries, exchanges, and morale, welfare, and recreation services expanded to include all service-connected disabled veterans, Purple Heart recipients, former prisoners of war, and primary caregivers to eligible veterans. Benefits include tax-free shopping at the exchanges, at-cost groceries at the commissary, and access to recreational sites.⁶
8. **Pensions** – The Veterans Pension is a tax-free monthly benefit paid to low-income war-time veterans who meet certain age, income, and disability requirements. As of 2022, yearly cost-of-living adjustments are synced to Social Security's annual adjustments: In 2024, benefits will increase by 3.2%.⁷
9. **Financial Counseling and Online Will Preparation** – The VA offers beneficiary financial counseling and will-preparation services for SGLI, VGLI, and FSGLI (group life insurance for servicemembers, veterans, and families, respectively) members as well as for beneficiaries and servicemembers who have received TSGLI (traumatic injury protection) benefits.⁸
10. **Burial and memorial benefits** – The VA provides a cash allowance to help pay for funeral services, burial, and transportation costs, as well as grave markers, headstones, and other memorial items for veterans.⁹

¹The Social Portfolio: Why Friendships Are So Important To Aging Well, Hartford Funds ²The Post-9/11 GI Bill (va.gov) ³Servicemembers Civil Relief Act (osd.mil) ⁴ Savings Deposit Program (defense.gov) ⁵ Veterans Benefits Banking Program (va.gov) ⁶ Purple Heart and Disabled Veterans Equal Access Act of 2018 (publicaffairs-sme.com) ⁷ VA Financial Benefits - Geriatric and Extended Care ⁸ Beneficiary Financial Counseling Service and Online Will Preparation - Life Insurance (va.gov) ⁹ Burial Benefits - Compensation (va.gov)

FIGURE 1

Fraud Avoidance for Veterans: Benefits Do's and Don'ts

| DO | DON'T |
|--|---|
| Contact the VA directly at 1-800-827-1000 if you receive correspondence regarding a claim you don't recall filing, or if you're not sure whether a phone call, email, or text message you've received is legitimate. | Provide personal information (Social Security number, address, bank information, etc.) if requested by email. The VA won't ask for personal information by email. |
| Hang up if you're not sure if a call is legitimate and call the VA directly. | Pay processing fees related to claims. The VA doesn't charge for processing claims. |
| Contact the VA immediately if you receive notice that your direct deposit or eBenefits account information has changed and you didn't initiate the process. | Feel pressured about jail or lawsuits—the VA will not threaten claimants with either. |

Source: US Department of Veterans Affairs

Contact your financial professional or visit the VA website for more information on special benefits for veterans and servicemembers.

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