



DISABILITY COMPENSATION

INDIVIDUAL UNEMPLOYABILITY FACT SHEET

WHAT IS INDIVIDUAL UNEMPLOYABILITY?

Individual Unemployability (IU) is a part of VA's disability compensation program that allows VA to pay certain Veterans compensation at the 100% rate, even though VA has not rated their service-connected disabilities at the 100% level.

WHAT IS THE ELIGIBILITY CRITERIA FOR INDIVIDUAL UNEMPLOYABILITY?

A Veteran must be unable to maintain substantially gainful employment as a result of his/her service-connected disabilities. Additionally, a Veteran must have:

- One service-connected disability ratable at **60** percent or more, *OR*
- Two or more service-connected disabilities, at least one disability ratable at **40** percent or more with a combined rating of **70** percent or more.

HOW DO I APPLY?

- Submit [VA Form 21-8940, *Veteran's Application for Increased Compensation Based on Unemployability*](#).
- Send your completed application to your nearest VA regional office. To find the closest regional office to you, go to <http://www1.va.gov/directory/guide/home.asp?isFlash=1> or call 1-800-827-1000.

CAN I WORK?

Veterans who are in receipt of Individual Unemployability benefits may work as long as it is not considered substantially gainful employment. The employment must be considered marginal employment.



Disabilities determined by VA to be related to your military service can lead to monthly non-taxable compensation, enrollment in the VA health care system, a 10-point hiring preference for federal employment and other important benefits. Ask your VA representative or Veterans Service Organization representative about Disability Compensation, Pension, Health Care, Caregiver Program, Career Services, Educational Assistance, Home Loan Guaranty, Insurance and/or Dependents and Survivors' Benefits.



**U.S. Department
of Veterans Affairs**

-
- Substantially gainful employment is defined as employment at which non-disabled individuals earn their livelihood with earnings comparable to the particular occupation in the community where the Veteran resides.
 - Marginal employment is generally deemed to exist when a Veteran's earned income does not exceed the amount established by the U.S. Census Bureau as the poverty level for the Veteran only. For more information on the U.S. Census Bureau's poverty thresholds, see <http://www.census.gov/hhes/www/poverty/data/threshld/index.html>

WHAT IF I DON'T MEET THE PERCENTAGE CRITERIA?

Special consideration will be given for Veterans when the following criteria is met:

- The Veteran is considered unemployable due to a service-connected disability(ies) but fails to meet the minimum percentage standards, OR
- There is evidence of exceptional or unusual circumstances to impairment of earning capacity due to disabilities (for example, interference with employment or frequent periods of hospitalization)

Note: Veterans may have to complete an employment questionnaire once a year in order for VA to determine continued eligibility to Individual Unemployability.

For More Information, Call Toll-Free 1-800-827-1000 or Visit Our Web Site at <http://www.va.gov>

