**Treasury Collects VA Debts from Social Security**

WASHINGTON, March 21 /PRNewswire/ - The Treasury Department has begun sending letters to about 243,000 veterans to remind them that they owe the federal government and that money can be taken from other federal checks to settle their debts.

For the first time, portions of a monthly Social Security check can be withheld by the Treasury to settle debts that veterans owe to the Department of Veterans Affairs (VA).

Federal law says that when veterans owe more than $25 to VA and the debts are more than 180 days overdue, VA officials must report the debts to the U. S. Treasury Department. VA has referred approximately 243,000 names of veterans to the Treasury Department, with debts valued at more than $75 million, which averages to about $300 a veteran.

Veterans affected by the withholding will always receive the first $750 of each month's Social Security payment. Only 15 percent of the amount greater than $750 can be withheld. Veterans can avoid any loss of Social Security or other federal payments by voluntarily settling their debts with VA.

Deductions will begin this spring. The Treasury Department will notify veterans twice (at 60-day and 30-day intervals) in writing about the anticipated deductions. The letters will include the name of the VA agency that is owed money and a point of contact who will answer questions regarding the delinquent debt.

The Treasury Department is responsible for collecting the debts from other income including income tax, federal retired pay and now Social Security (but not Supplemental Security Income). In the future, Treasury will begin docking federal retired pay, military pay or military retired pay, Railroad Retirement Board benefits (but not "Tier 2" benefits), Black Lung Program payments (Part B) and other federal payments made to individuals. Veterans will be notified before any new offsets.

Many of the veterans affected by the mailing have been treated in VA medical facilities for health care conditions not related to their military service. For that care and for some prescribed medication, they are responsible for co-payments. Additionally, some recipients of disability compensation and VA pensions may fall into the Treasury offset program because of debts, usually for overpayment of their benefits.

In July 2000, VA mailed a letter to each veteran notifying him or her of an outstanding debt, providing a local contact, and encouraging the veteran to request a hearing or to make payment arrangements to avoid further action. Those who took no action or did not pay their debts were referred to the Treasury Department.

Veterans with questions about whether they have VA debts should contact the VA medical centers where they received care.

SOURCE U.S. Department of Veterans Affairs

Web Site: http://www.va.gov

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