

— FWD ASSIST HQ —

FIELD GUIDE

Working Without Losing TDIU or Pension

Understand and document your work so you stay
within the TDIU and pension rules.



J. Erickson

A FWD Assist HQ Field Guide

FIELD GUIDE

By J. Erickson | An FWD Assist HQ Field Guide | Publisher: FWD Assist HQ | First Edition, 2026

This guide is education, not representation. It explains how part of the VA system works so you can handle your own business with confidence. It is not legal or claims advice, and reading it does not create any representative relationship between you and the author. The author is not affiliated with the Department of Veterans Affairs, and nothing here is endorsed by the VA.

This guide prints no live VA dollar figures and no rating percentages on purpose, because they change. Before you make a decision based on any number, check the current figure at va.gov. No book can promise you a rating; the evidence in your file decides the result. Help from an accredited Veterans Service Officer is always free.

In crisis? Call the **Veterans Crisis Line**: dial **988**, then press **1**. You can also text **838255** or chat online at veteranscrisisline.net. It is free, confidential, and available 24/7.

Working Without Losing TDIU or Pension

Understand and document your work so you stay within the TDIU and pension rules.

Companion to *Earn More on TDIU*.

This is general education, not legal or claims advice, and not guidance for your specific claim. It cannot promise you a rating or an outcome, and no one can. For help with your own claim, see a free accredited representative (see [the back of this guide](#)). Nothing here creates a representative relationship.

Current as of October 2026. Rules, forms, and figures change. Check current details at va.gov.

THE BEST WAY TO USE THIS GUIDE

The strongest position is to be your own informed advocate and to work with a free accredited representative. An accredited Veterans Service Organization, such as the DAV, VFW, American Legion, or a county or state veterans office, helps at no charge. Accredited claims agents and attorneys can help too. They can't charge for work done before VA issues its initial decision on your claim, and after that they may charge a fee within the limits of 38 CFR 14.636. This guide is here so you understand your own situation and can work with them as a full partner instead of handing it over blind. If you'd rather handle this yourself, and you're comfortable doing that, the guide walks you through every step. Either way, you stay in control.

The Outcome and What You Need Before You Start

The outcome: By the end of this guide you'll understand which benefit you receive, calculate and track the income that counts, document how your conditions limit your work, and report changes to the VA the right way.

This guide prepares you for the task. It doesn't and can't promise a rating, a percentage, or an outcome. The evidence in your file decides the result.

WHAT YOU NEED BEFORE YOU START

- ☐ Your VA award letter, to confirm whether you're on TDIU compensation or VA pension.
- ☐ Your VA claim number.
- ☐ Pay stubs, 1099s, or business revenue and expense records for every earned source.
- ☐ The current figures: for TDIU, the Census Bureau poverty threshold for one person ([census.gov](https://www.census.gov/poverty/data/thresholts/)); for pension, the MAPR and net worth limit ([va.gov/pension](https://www.va.gov/pension/)).
- ☐ A notebook or spreadsheet for a monthly income and symptom log.

When to start: before you accept any new job, contract, or gig, and again each year when the figures change.

Start Here: The Basics

Working while receiving VA benefits is allowed, but two situations carry limits worth understanding: TDIU, which turns on not being able to hold substantially gainful work, and VA pension, which is income-based. Marginal or protected work may be fine, while crossing the wrong line can affect payments. The rules use figures that change every year, so this guide explains the concepts and routes the current numbers to va.gov, so you can work with your eyes open.

The Steps

STEP 1

Confirm which benefit you receive: TDIU compensation or VA pension.

Pull your award letter. A compensation letter talks about service connection and your ratings, and a TDIU grant says "individual unemployability." A pension letter says "Veterans Pension," "Improved Pension," or "Survivors Pension."

If you're on TDIU, **then** the marginal employment steps below apply. **If** you're on pension, **then** the dollar-for-dollar offset steps apply. **If** you can't tell, **then** ask a free accredited representative before you do anything else.

Where this is written down: 38 U.S.C. § 1110; 38 CFR § 4.16 (TDIU); 38 U.S.C. § 1521; 38 CFR § 3.3 (pension).

Done when you can name your program.

STEP 2

TDIU: look up the current marginal employment line.

It's the poverty threshold for one person published each year by the U.S. Census Bureau, and it's an annual earned-income figure. It isn't the HHS poverty guideline and it isn't Social Security's SGA limit; those are different numbers. Look up the current figure in the Census Bureau's poverty threshold tables at census.gov, write it down, and set a yearly reminder.

Do not guess a fixed dollar limit. The line changes every year.

Where this is written down: 38 CFR § 4.16(a).

Done when the current line is written down and a yearly reminder is set.

STEP 3

TDIU: count only earned income against the line.

For TDIU, the test is your own earned income. Wages, salary, self-employment, freelance, contract, gig income, bonuses, commissions, and tips all count. VA compensation, investment and other passive income, and your spouse's income don't. Pension is different: it counts most income from every source, including your spouse's (Step 6).

Do not carry this rule over to pension. For TDIU, passive income doesn't touch the line; for pension, it generally counts.

Done when you can list which of your income sources are earned and which aren't.

STEP 4

Track your gross earned income month by month and for the year.

For wages, use the gross figure before taxes, not your take-home. For self-employment, use gross revenue minus legitimate business expenses. Add every earned source together each month, and keep a running total for the year, because the TDIU line is an annual figure.

Do not compare your net take-home pay to the line. The comparison uses gross earned income, and using net understates what the VA counts.

Done when you have a monthly total and a year-to-date total across all earned sources. If you aren't sure what counts as a business expense, ask a tax professional.

STEP 5

TDIU: confirm the work fits marginal employment.

Marginal employment isn't substantially gainful. VA generally treats work as marginal when your earned income for the year is at or below the line. Work above the line can still be marginal on the facts, for example a protected job in a family business or a sheltered workshop. VA also looks at the kind of work and why any job ended.

If your earnings stay below the line and the work matches your limitations, **then** it's marginal employment.
If the work itself seems to contradict your stated disabilities, **then** expect the VA to ask questions, and talk to an accredited representative first.

Where this is written down: 38 CFR § 4.16(a).

Done when your work is below the line, or protected on the facts, and consistent with your conditions.

STEP 6

Pension: model the dollar-for-dollar offset instead of a threshold.

Pension pays the maximum annual pension rate (MAPR) minus your countable income, which includes your family's. Every dollar of countable income reduces your pension by about a dollar, and there's no safe-harbor earned-income figure. Check the current MAPR and net worth limit at va.gov/pension.

Do not apply the TDIU marginal employment line to pension. Pension uses the offset, not a threshold.

Where this is written down: 38 CFR § 3.271; 38 CFR § 3.273.

Done when you have estimated how a given wage would reduce your pension.

STEP 7

Pension: capture unreimbursed medical expenses and watch net worth.

Unreimbursed medical expenses above five percent of the MAPR can be deducted from countable income, so keep every receipt in a dated yearly file. Net worth is your assets plus your annual income. Your primary residence is excluded, and so are personal effects such as appliances and a family vehicle. If net worth goes over the limit, VA denies or stops pension. Check the current limit at va.gov/pension.

Do not let a lump sum such as a signing bonus, severance, or back pay catch you by surprise. Ask a free accredited representative how it counts before it arrives. Giving money away to get under the limit can bring a penalty period if you later file a new pension claim.

Where this is written down: 38 CFR § 3.272(g); 38 CFR § 3.278; 38 CFR § 3.274; 38 CFR § 3.275; 38 CFR § 3.276.

Done when your medical receipts are logged and you have checked net worth against the current limit.

STEP 8

Keep a monthly functional-limitation log.

Use a simple sheet with columns for date, symptoms during the work period, days missed, accommodations used, and adjustments you made at work. Three to six months of this builds strong documentation.

Done when you have a running monthly log of how your conditions affect your work.

STEP 9

Report employment and income changes to the VA in writing.

TDIU: when you applied, you certified you'd tell VA right away if you go back to work. Send a written statement (VA Form 21-4138 works) with your name, file number, employer, job title, start date, and gross pay, online at VA.gov or by mail. If VA sends you VA Form 21-4140 (Employment Questionnaire), return it within the 60 days VA gives you. Pension: tell VA as soon as you know your income or net worth will change; VA Form 21P-0969 (Income and Asset Statement for Pension or Parents' D.I.C. Claims) reports income and assets. Use a method that gives you proof of receipt.

Do not stay silent about work. Benefits paid after a change you didn't report can become a debt VA collects, and knowingly hiding income can bring penalties.

Where this is written down: VA Form 21-8940 certification; 38 CFR § 3.652; 38 CFR § 3.660(a)(1).

Done when your report is submitted and you have proof of receipt on file.

STEP 10

Explain any month that spikes above the line.

A single high month doesn't by itself end TDIU. Report it in writing, say it was one-time, give your year-to-date earned income, and attach documentation such as the assignment contract. If you go back to substantially gainful work, VA can't reduce TDIU on that basis alone unless you keep the job for 12 months in a row, and VA must show by clear and convincing evidence that you can actually work.

If the work proved unsustainable because of your symptoms, **then** say so; that can support the basis for your TDIU rather than contradict it. **If** your earnings are sustained above the line, **then** get an accredited representative involved.

Where this is written down: 38 CFR § 3.343(c)(1) and (2).

Done when any above-line month is documented and explained to VA in writing.

STEP 11

Re-check the figures every year and get help before big moves.

The Census poverty threshold, the MAPR, and the net worth limit all change. Re-pull them each year: the threshold from census.gov, and the pension figures from va.gov. Before you accept a job, contract, or new gig, review it with a free accredited representative or VSO.

Done when you have confirmed this year's figures and know who to call before your next work decision.

Recap Checklist

- ☐ Confirmed whether I'm on TDIU compensation or VA pension from my award letter.
- ☐ Looked up the current Census poverty threshold for one person (the TDIU line) and wrote it down.
- ☐ For TDIU, sorted my income into earned (counts) and passive or spousal (doesn't count).
- ☐ Tracked my gross earned income by month and for the year.
- ☐ Confirmed TDIU work is below the line and consistent with my disabilities.
- ☐ Modeled the pension dollar-for-dollar offset against the current MAPR.
- ☐ Logged unreimbursed medical expenses and checked net worth against the limit.
- ☐ Kept a monthly log of symptoms, missed days, and accommodations.
- ☐ Reported employment and income changes in writing with proof of receipt.
- ☐ Documented and explained any month above the line.
- ☐ Set a yearly reminder to re-check the figures, and call an accredited rep before new work.

Reminder: rules and rates change. Check any current figure at [va.gov](https://www.va.gov). Help from an accredited Veterans Service Organization is free. Accredited claims agents and attorneys can't charge for work done before VA issues its initial decision on your claim. After that, they may charge a fee within the limits of 38 CFR 14.636. This guide prepared you for the task. The evidence in your file decides the result.

Get Free, Accredited Help

For anything about your own claim, talk to an accredited representative. Help from an accredited Veterans Service Organization is free. Accredited claims agents and attorneys can't charge for work done before VA issues its initial decision on your claim. After that, they may charge a fee within the limits of 38 CFR 14.636. Free help is available through Veterans Service Organizations such as the DAV, VFW, and American Legion, and through county and state veterans offices.

To find one near you, visit va.gov/get-help-from-accredited-representative. Representation begins only when you sign VA Form 21-22 (for a Veterans Service Organization) or 21-22a (for an individual agent or attorney). With one rare exception for a single unpaid case, only accredited people can represent you before the VA, and only an accredited agent or attorney can charge you a fee. Nothing in this guide creates that relationship.

A warning about claim sharks. Anyone who offers to file your initial claim for a fee, or who guarantees you a rating or a percentage, is selling something you shouldn't buy. Accredited Veterans Service Organizations help at no charge, and accredited claims agents and attorneys may charge only after VA issues its initial decision, within the limits of 38 CFR 14.636. Report predatory companies to the VA Office of Inspector General at 1-800-488-8244.

Keep Going: The Full Guide

This field guide is the short, do-this-now companion to the book *Earn More on TDIU*. See every FWD Assist HQ title that is out now at fwdassisthq.com/books.

Current as of October 2026. Rules, forms, and figures change. Check current details at va.gov.

About the Author

J. Erickson. Author, educator, former veteran service officer.

J. Erickson is a service-disabled Air Force veteran. He served as a military firefighter and as a veteran service officer, where he spent years walking veterans through the same claims process he writes about now. He holds an MBA and writes plain-language guides for veterans who want to understand the system without a translator.

He writes the For the Rest of Us series at fwdassisthq.com. This guide is published by FWD Assist HQ as a veteran education resource. It is not affiliated with or endorsed by the Department of Veterans Affairs.