The VA Back-Pay Walkthrough

What you could be owed and how it works

What Is Back Pay?

When the VA takes months (or years) to decide your claim, you don't just start getting paid from the decision date. You're owed retroactive compensation going back to your effective date.

For many veterans, this means a lump sum of $5,000 to $50,000+. The exact amount depends on three things: your effective date, your rating during each period, and the VA rate tables in effect at the time.

Your Effective Date Is Everything

The effective date is usually the date you filed your claim - or the date of your Intent to File, if you submitted one first. This is why filing an Intent to File (VA Form 21-0966) before you're ready is so powerful: it locks in your date while you gather evidence.

Exceptions: If you filed within one year of discharge, your effective date can go back to the day after separation. For increases, it's the date the VA received your claim or the date your condition worsened, whichever the evidence supports.

How the VA Calculates It

The VA looks at each month between your effective date and the decision date. For each month, they determine: What was your combined rating? How many dependents did you have? What were the rate tables?

They calculate what you should have been paid each month, subtract what you were actually paid (often $0), and the difference is your back pay. It's paid as a single lump sum, tax-free.

Three Ways Veterans Leave Money on the Table

1. Not filing an Intent to File early - every month of delay is a month of back pay lost.
2. Not claiming increases when conditions worsen - the effective date for the higher rate starts when you file, not when you got worse.
3. Missing dependent additions - adding a spouse, child, or dependent parent increases your monthly rate, which compounds across every month of back pay.

What To Do Right Now

If you haven't filed yet: submit an Intent to File today at VA.gov. It takes 5 minutes and preserves your date.

If you're waiting on a decision: gather any evidence of worsening conditions - you may be able to file for an increase with an earlier effective date.

If you were already decided: check your effective date on the decision letter. If it looks wrong, you have one year to file a Higher-Level Review.

Want the complete step-by-step walkthrough with worksheets?

VA Files members get every guide in full at thevafiles.com