



TDIU Guide

Individual Unemployability, working while rated, 100% versus TDIU, and what P&T really means

TDIU in one sentence

If your service-connected conditions keep you from holding a job that pays more than poverty-level wages, VA can pay you at the **100% rate** even though your combined rating is lower. That's called Total Disability based on Individual Unemployability, or **TDIU** (sometimes just "IU").

In 2026, TDIU pays the same as a 100% rating: **\$3,938.58 a month** for a veteran alone, more with dependents. [VA compensation rates](#)

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1. What TDIU is

VA normally pays you based on your combined rating. TDIU is an exception for veterans whose ratings add up to less than 100%, but whose service-connected conditions still keep them out of real, steady work. The rule is [38 CFR § 4.16](#).

Term	What it means in plain words
Schedular rating	The percentage VA assigns using its rating schedule. Your combined rating is schedular
TDIU	Payment at the 100% rate because you can't work, even though your schedular rating is under 100%
Substantially gainful occupation	Real work that pays more than the poverty threshold for one person
Marginal employment	Low-paying or protected work that VA doesn't count against you
P&T (permanent and total)	VA's finding that your total disability is reasonably certain to last the rest of your life

2. Who qualifies

There are two ways to qualify. Both require that your **service-connected** conditions keep you from securing or following substantially gainful work.

Path A: schedular TDIU, 38 CFR § 4.16(a)



If you have	You need
One service-connected disability	That disability rated 60% or more
Two or more service-connected disabilities	At least one rated 40% or more , and a combined rating of 70% or more

Many veterans miss this: for the “one disability” test, VA counts these groups as a single disability:

- Disabilities of one or both arms, or one or both legs, including the bilateral factor
- Disabilities from the same cause or a single accident
- Disabilities affecting one body system, such as orthopedic, digestive, respiratory, cardiovascular-renal, or neuropsychiatric
- Multiple injuries incurred in action
- Multiple disabilities incurred as a prisoner of war

Example: a back rated 40% and a knee rated 30% are both orthopedic, so they can count together as one 60% disability for this test.

Path B: extraschedular TDIU, 38 CFR § 4.16(b)

If you **don't** meet those percentages but truly can't work because of service-connected conditions, VA's policy is that you should still be rated totally disabled. The regional office must send your case to VA's Director of Compensation Service for extraschedular review. Falling short of the numbers is not, by itself, a valid reason to deny TDIU.

What VA considers, and what it can't

VA considers	VA may not consider
Your work history, education, training, and the kind of work you've done	Your age. See 38 CFR § 3.341 and § 4.19
How your service-connected conditions affect your ability to do that work	Conditions that aren't service-connected, when you meet the percentages
Evidence from doctors, employers, and people who know you	Past unemployability status, when you meet the percentages

3. What “gainful” work means

TDIU doesn't require zero income. It turns on whether your work is **substantially gainful** or only **marginal**.

Type of work	Does it count against TDIU?
Earned income at or below the Census poverty threshold for one person	No. It's generally considered marginal employment under § 4.16(a)
Work in a protected environment, like a family business or sheltered workshop, even above the threshold	Usually no. VA can find it marginal based on the facts
A job kept only because of special accommodation for your disability, which then ends	No. See 38 CFR § 4.18



Type of work	Does it count against TDIU?
Steady work that pays more than the poverty threshold, in a normal setting	Yes. That's substantially gainful, even if part-time

What's the poverty threshold?

It's a dollar figure the U.S. Census Bureau publishes and updates every year. For reference, the Census threshold for one person under 65 was **\$16,320 for 2024**. The figure VA applies changes yearly, so confirm the current number with VA or a representative before relying on it. [How the Census measures poverty](#)
It's based on **your own earned income** from work, not your VA compensation, and not your spouse's income.

4. Working while on TDIU

You **can** earn some income on TDIU, but the rules are strict. Know them before you take a job.

- **Marginal work is allowed.** Earnings at or below the poverty threshold, or protected work like a family business, don't end TDIU.
- **The 12-month protection.** If you start substantially gainful work, VA can't reduce your TDIU solely because you got that job unless you keep it for **12 consecutive months**. [38 CFR § 3.343\(c\)\(2\)](#)
- **Vocational rehab won't cost you TDIU.** Taking part in VA vocational rehabilitation, education, or training isn't a reason to reduce TDIU on its own. VA must show clear improvement, real employment progress, or that the program's demands don't fit total disability. VA also offers a vocational evaluation when it grants TDIU. [§ 3.341\(c\)](#)
- **VA needs strong proof to take it away.** To end TDIU, VA must show you're actually employable by **clear and convincing evidence**, send a proposal first, and give you 60 days to respond. [§ 3.343\(c\)\(1\)](#) and [§ 3.105\(e\)](#)
- **Report work honestly.** VA may ask you to complete [VA Form 21-4140, Employment Questionnaire](#). VA can also check earnings reported to the Social Security Administration. Not reporting work can lead to a large overpayment.

Before you take a job on TDIU

Talk with a free accredited representative first. The difference between marginal and substantially gainful work, and how the 12-month rule applies to your situation, can decide whether you keep thousands of dollars a year. [Find a free accredited representative](#)

5. TDIU versus a 100% schedular rating, and what “moot” means

Both pay the same monthly amount. The differences are in what you're allowed to do, and what else they can unlock.

	TDIU	100% schedular
Monthly pay (2026, veteran alone)	\$3,938.58	\$3,938.58
How you get it	You can't hold substantially gainful work because of service-connected conditions	Your conditions combine to 100% under the rating schedule



	TDIU	100% schedular
Working	Limited to marginal work, with a 12-month protection	No income or work limit in the rule for most conditions (see section 6)
Can it be P&T?	Yes	Yes
Counts as 100% for CRDP	Yes, for retirees who qualify	Yes, for retirees who qualify

What “moot” means

TDIU only applies when your schedular rating is **less than** total. So when VA grants a **100% schedular** rating, a pending or existing TDIU claim usually becomes **moot**, meaning there's nothing left for it to add, because you're already paid at 100%. VA then typically stops TDIU and pays you under the schedular 100% rating instead. Your monthly pay doesn't drop.

The important exception: TDIU isn't always moot

Under the court decisions *Bradley v. Peake* (2008) and *Buie v. Shinseki* (2010), TDIU is **not** moot if TDIU based on **one** disability could qualify you for **special monthly compensation at the housebound rate (SMC-S)**.

SMC-S requires one disability rated total, plus separate disabilities independently rated 60% or more. TDIU based on a single condition can count as that “total” disability. SMC-S pays \$4,408.53 a month in 2026 for a veteran alone, compared with \$3,938.58 at 100%. [38 CFR § 3.350\(i\)](#) | [VA SMC rates](#)

Example: your PTSD alone supports TDIU, and your back, knees, and hearing separately combine to 60%. Keeping TDIU for PTSD could support SMC-S. The Board of Veterans' Appeals says VA must consider this to maximize benefits. [Example Board decision](#)

If VA removed your TDIU as “moot” when you reached 100%, ask a representative whether one condition alone could have supported TDIU while your other conditions reached 60%. If so, SMC-S may have been missed.

6. Working with a 100% schedular rating

A 100% schedular rating isn't based on being unable to work, so for most conditions **the rating rules put no limit on working or earning**. Many veterans rated 100% schedular hold full-time jobs. This is one of the biggest practical differences from TDIU.

Know these exceptions and cautions:

- **Ratings whose criteria describe your ability to work.** The 100% rating for mental health conditions requires “total occupational and social impairment.” Steady full-time work isn't prohibited, but VA could treat it as evidence that the condition improved. [38 CFR § 4.130](#)
- **Temporary 100% ratings** for hospitalization or surgery recovery are short-term and end when you recover.
- **A 100% rating that isn't P&T** can still be re-examined. Working doesn't cause a reduction, but medical improvement at an exam can. [38 CFR § 3.343\(a\)](#) requires an exam showing material improvement before reducing a total rating.
- **If you're paid through TDIU**, not schedular 100%, the section 4 work rules apply instead.

7. 100% versus 100% P&T

“Permanent and total” is a separate finding from the percentage. You can be 100% (or TDIU) without being P&T. Under [38 CFR § 3.340](#), a total disability is permanent when it's reasonably certain to continue for the rest of your



life.

	100% (or TDIU), not P&T	100% (or TDIU), P&T
Monthly pay	Same	Same
Future exams	VA may schedule routine re-examinations	VA generally doesn't schedule routine future exams
Chapter 35 education (DEA) for spouse and children	Not eligible on this basis	Eligible
CHAMPVA health coverage for spouse and children	Not eligible on this basis	Eligible, if they aren't eligible for TRICARE
State benefits	Varies by state	Many states give property tax exemptions, fee waivers, and other benefits
Can it ever be reduced?	Yes, with evidence of improvement and due process	Still possible with clear evidence of material improvement, but much less common

How to check your status: download your benefit summary letter on VA.gov. It states whether you're considered totally and permanently disabled and whether future exams are scheduled. [Download VA letters](#)

A common myth: P&T doesn't make a rating impossible to reduce. It means VA expects the disability to last. Separate time-based protections apply after 5, 10, and 20 years.

8. TDIU and your other benefits

Benefit	How it works with TDIU
Social Security Disability (SSDI)	You can receive both. They're separate programs, and neither reduces the other
Military retired pay (CRDP)	TDIU counts as 100% for Concurrent Retirement and Disability Pay for retirees who qualify. DFAS: CRDP
Special monthly compensation	TDIU based on one condition can support SMC-S. See section 5
Dependents	Added amounts for a spouse, children, and parents are paid at the 100% rates
Retirement age	Reaching retirement age doesn't end TDIU, and age can't be used to deny it
VA pension	You can't receive VA pension and compensation at the same time. VA pays the higher one

9. How to apply

1. **Check whether you meet Path A or Path B** in section 2.
2. **File [VA Form 21-8940](#)**, Veteran's Application for Increased Compensation Based on Unemployability. List your work history for the last 5 years you worked, your education, and when your conditions made you stop working.
3. **Expect VA to contact past employers** with [VA Form 21-4192](#). Give correct employer contact information to avoid delays.



4. **Send evidence** of how your conditions stop you from working: doctor's opinions about work limits, records of missed work, accommodations, write-ups, or why jobs ended, and statements from you, family, and former coworkers on VA Form 21-4138 or 21-10210.
5. **Go to any VA exam** and describe your worst days honestly, including what happened the last time you tried to work.
6. **If you're denied**, you have one year from the decision letter to request a review and keep your effective date. [VA decision reviews](#)

All forms: [VA.gov additional claim forms, including 21-8940 and 21-4192](#)

Common myths

Myth	Fact
TDIU means you can never earn a dollar	Marginal work, at or below the poverty threshold or in a protected setting, is allowed
Any job ends TDIU right away	VA can't reduce it solely for taking a job unless you keep that work 12 consecutive months
TDIU isn't "real" 100%	It's paid at exactly the 100% rate
You're too old for TDIU	Age can't be considered
You must meet 60% or 70/40 to get TDIU	Those are the schedular paths. Extraschedular TDIU can apply below them
TDIU always disappears as moot at 100%	Not if TDIU based on one condition could support SMC-S
100% schedular means you can't work	For most conditions, the rule sets no work limit
P&T can never be reduced	It can, with clear evidence of material improvement, though it's much less common

10. Your checklist

- ☐ I checked whether I meet the 60% or 70/40 test, or should ask for extraschedular review
- ☐ I checked whether my conditions count as one disability (same body system, same cause, or both arms or legs)
- ☐ I know my earned income compared with the current poverty threshold
- ☐ I gathered doctor's opinions on how my conditions limit work
- ☐ I have employer records and lay statements about why work ended
- ☐ I filed VA Form 21-8940 and gave accurate employer contacts
- ☐ If I'm rated 100% schedular, I asked whether TDIU for one condition could support SMC-S
- ☐ I checked my VA benefit letter for P&T status
- ☐ Before taking any job on TDIU, I talked with a free accredited representative



Official sources

What	Where to find it
TDIU rule: 38 CFR § 4.16	ecfr.gov, section 4.16
Unemployability and sheltered work: 38 CFR § 4.18	ecfr.gov, section 4.18
Age not considered: 38 CFR §§ 3.341 and 4.19	section 3.341 section 4.19
Permanent and total: 38 CFR § 3.340	ecfr.gov, section 3.340
Continuing TDIU, 12-month rule: 38 CFR § 3.343	ecfr.gov, section 3.343
Reduction due process: 38 CFR § 3.105(e)	ecfr.gov, section 3.105
SMC, including SMC-S: 38 CFR § 3.350	ecfr.gov, section 3.350
VA Form 21-8940 (TDIU application)	va.gov/forms/21-8940
VA Form 21-4192 (employer information)	va.gov/forms/21-4192
VA Form 21-4140 (employment questionnaire)	va.gov/forms/21-4140
Current compensation rates	va.gov veteran compensation rates
Current SMC rates	va.gov SMC rates
Download your benefit summary letter	va.gov/records/download-va-letters
Find a free accredited representative	va.gov/get-help-from-accredited-representative
VA benefits hotline	800-827-1000 (TTY: 711)

Veterans Crisis Line: Dial 988 then press 1 · Text 838255

Losing the ability to work is hard. If the stress is getting to you, call, text, or chat at VeteransCrisisLine.net/Chat. Free, confidential, 24/7.

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