

February 5, 2021

Dat P. Tran
Secretary of Veterans Affairs (Acting)
810 Vermont Ave., NW
Washington, DC 20420

Dear Secretary Tran:

We ask the Department of Veterans Affairs to cease automatically sending 1099s to Caregivers receiving benefits under the Program of Comprehensive Assistance for Family Caregivers (PCAFC), and to rescind those sent for tax year 2020. These benefits are not taxable, there is no reason for the VA to send a 1099 to these Caregivers, and doing so introduces confusion where none should exist and raises the potential of these benefits erroneously being taxed.

The VA recently posted [web-based guidance](#) on the issuance of these 1099s, but did not explain why this is even necessary. Alternatively, [VA and the IRS issued guidance](#) states, “VA benefits are not taxable; therefore, VA does not send out 1099 forms. If you need a statement of benefits paid, please contact your VA Regional Office.”

We believe the VA should adopt a similar approach for Caregivers – only issuing a 1099 or statement of benefits if requested by the Caregiver or Veteran.

Thank you for your attention to these concerns. The veteran and military serving organizations below stand ready to assist as you consider how best to administer the PCAFC program.

Sincerely,

The Independence Fund
U.S. Coast Guard Chief Petty Officers Association
& Enlisted Association
Armed Forces Retirees Association
Gold Star Wives
Fleet Reserve Association
National Guard Association of the United States
The Military Order of the Purple Heart
Non Commissioned Officers Association of the
United States

Healing Household 6
Sea Service Family Foundation
VetsFirst
Naval Enlisted Reserve Association
Service Women’s Action Network
Commissioned Officers Association of the U.S.
Public Health Service
Chief Warrant & Warrant Officers Association, U. S.
Coast Guard
The Enlisted Association of the National Guard of
the United States

Copy:

Dr. Richard Stone, Under Secretary of Veterans Affairs for Health (Acting)
Meg Kabat, Senior Advisor, Families, Caregivers and Survivors
Raymond P. Kelley, VSO Liaison