Can You Work While Receiving TDIU

Some employment can be consistent with Total Disability based on Individual Unemployability, commonly called TDIU or IU. VA distinguishes substantially gainful employment from marginal employment. Income matters, but an individual work situation cannot always be classified by earnings or weekly hours alone. [1, 2]

Disclosure: AI assisted in drafting this article. Official VA and federal regulation sources were checked on November 9, 2026. This article explains general concepts; it does not determine anyone's eligibility or whether a particular job is compatible with TDIU.

What TDIU means

TDIU allows VA to pay eligible veterans at the 100% compensation rate when service-connected disabilities prevent substantially gainful employment, even though their schedular disability evaluation is below 100%. The underlying percentage does not become a 100% schedular evaluation simply because VA grants IU. [1, 2]

Under 38 CFR 4.16(a), the usual percentage requirements are one disability rated at least 60%, or multiple disabilities with at least one rated at least 40% and a combined evaluation of at least 70%. The regulation has rules for treating certain related disabilities as one disability for these percentage requirements. Meeting the percentages alone does not establish unemployability. [2]

Section 4.16(b) also provides for referral to the Director, Compensation Service, for extraschedular consideration when service-connected disabilities prevent substantially gainful employment and the paragraph (a) percentages are not met. The percentage requirements do not describe every possible TDIU case. [2]

How marginal employment fits

Marginal employment is excluded from substantially gainful employment under section 4.16(a). The regulation generally treats employment as marginal when the veteran's earned annual income does not exceed the Census Bureau poverty threshold for one person. This is an annual earned-income comparison, rather than a universal monthly earnings allowance. [2]

The rule refers specifically to the Census Bureau threshold for one person. A household-size figure or a different federal poverty measure can describe a different calculation. An undated dollar amount on a website does not establish the applicable threshold for every year or resolve a particular veteran's circumstances. [2]

Marginal employment can also exist, based on the facts, when earned annual income exceeds that threshold. The regulation identifies a protected work environment, including examples such as a family business or sheltered workshop. It also requires attention to the nature of the employment and the reason it ended. [2]

Why a job label does not settle the question

Part-time work describes hours. Marginal employment is a VA benefits concept. A short workweek does not automatically establish that employment is marginal. Likewise, working for a relative does not, by itself, establish a protected environment. The actual circumstances remain relevant. [2]

Consider two fictional veterans who both describe their jobs as part time. One has earned annual income below the relevant one-person threshold. The other earns more than that threshold and works in a family business. The first situation raises the general income rule. The second requires consideration of the facts

rather than an assumption that the family relationship resolves the issue. Neither description establishes TDIU eligibility on its own. [2]

Being unemployed also does not, by itself, establish entitlement. The TDIU standard concerns the effect of service-connected disabilities on the ability to secure or follow substantially gainful employment. A low income and a qualifying disability percentage do not replace that disability-related requirement. [1, 2]

TDIU and permanent and total are different concepts

TDIU concerns the basis for payment at the total rate. Permanence concerns whether total disability is reasonably certain to continue throughout the person's life. Federal regulation expressly recognizes that total disability may or may not be permanent. TDIU can coexist with a permanent and total finding, but the terms do not mean the same thing. [2, 3]

A veteran with a 100% schedular evaluation has a different rating basis from a veteran paid at the total rate through TDIU. The TDIU employment standard should not be treated as a general rule for every veteran receiving compensation at the 100% rate. [1, 2]

VA employment verification

VA says it matches wage information with the Social Security Administration. Earnings above the poverty line, or other evidence of gainful employment, can lead VA to request employment verification. That verification process is part of how VA checks continued IU eligibility; a wage figure alone does not explain all the factual issues discussed in section 4.16. [2, 4]

This content provides general education and does not provide guidance on an individual VA claim. Each case is unique. For advice about your own VA benefits, you can seek help from a VA-accredited Veterans Service Organization (VSO) representative, claims agent, or attorney.

Find a VA-accredited representative

Official sources

[1] VA individual unemployability overview

[2] 38 CFR 4.16 on unemployability and marginal employment

[3] 38 CFR 3.340 on total and permanent total ratings

[4] VA verification of individual unemployability status