

1991—Pub. L. 102-40 renumbered section 4335 of this title as this section.

Subsec. (a). Pub. L. 102-83 substituted “Secretary” for “Administrator” in introductory provisions.

§ 7636. Exemption of educational assistance payments from taxation

Notwithstanding any other law, any payment to, or on behalf of a participant in the Educational Assistance Program, for tuition, education expenses, a stipend, or education debt reduction under this chapter shall be exempt from taxation.

(Added Pub. L. 100-322, title II, § 216(b), May 20, 1988, 102 Stat. 529, § 4336; renumbered § 7636, Pub. L. 102-40, title IV, § 402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 105-368, title VIII, § 805(6), Nov. 11, 1998, 112 Stat. 3359.)

AMENDMENTS

1998—Pub. L. 105-368 substituted “a stipend, or education debt reduction” for “or a stipend”.

1991—Pub. L. 102-40 renumbered section 4336 of this title as this section.

SUBCHAPTER V—STIPEND PROGRAM FOR MEMBERS OF THE SELECTED RESERVE

§ 7651. Authority for program

(a) As part of the Educational Assistance Program, the Secretary of Veterans Affairs may select qualified individuals to receive assistance under this subchapter.

(b) To be eligible to receive assistance under this subchapter, an individual must be accepted for enrollment or be enrolled as a full-time student at a qualifying educational institution in a course of education or training that is approved by the Secretary and that leads toward completion of a degree in a health profession involving direct patient care or care incident to direct patient care.

(Added Pub. L. 101-366, title II, § 205(a)(1), Aug. 15, 1990, 104 Stat. 440, § 4351; renumbered § 7651, Pub. L. 102-40, title IV, § 402(b)(1), May 7, 1991, 105 Stat. 238.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4351 of this title as this section.

§ 7652. Eligibility: individuals entitled to benefits under the GI Bill program for members of the Selected Reserve

The Secretary of Veterans Affairs may not approve an application under section 7603 of this title of an individual applying to receive assistance under this subchapter unless—

- (1) the individual is entitled to benefits under chapter 106 of title 10; and
- (2) the score of the individual on the Armed Forces Qualification Test was above the 50th percentile.

(Added Pub. L. 101-366, title II, § 205(a)(1), Aug. 15, 1990, 104 Stat. 440, § 4352; renumbered § 7652 and amended Pub. L. 102-40, title IV, § 402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4352 of this title as this section and substituted “7603” for “4303” in introductory provisions.

§ 7653. Amount of assistance

The Secretary may pay to a person selected to receive assistance under this subchapter the amount of \$400 (adjusted in accordance with section 7631 of this title) for each month of the person's enrollment in a program of education or training covered by the agreement of the person entered into under section 7603 of this title. Payment of such benefits for any period shall be coordinated with any payment of benefits for the same period under chapter 106 of title 10.

(Added Pub. L. 101-366, title II, § 205(a)(1), Aug. 15, 1990, 104 Stat. 440, § 4353; renumbered § 7653 and amended Pub. L. 102-40, title IV, § 402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4353 of this title as this section and substituted “7631” for “4331” and “7603” for “4303”.

§ 7654. Obligated service

A person receiving assistance under this subchapter shall provide service in the full-time clinical practice of the person's profession as a full-time employee of the Department for the period of obligated service provided in the agreement of such person entered into under section 7603 of this title.

(Added Pub. L. 101-366, title II, § 205(a)(1), Aug. 15, 1990, 104 Stat. 440, § 4354; renumbered § 7654 and amended Pub. L. 102-40, title IV, § 402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4354 of this title as this section and substituted “7603” for “4303”.

§ 7655. Breach of agreement; liability

(a)(1) Subject to paragraph (2), an individual who is receiving or has received a reserve member stipend under this subchapter and who fails to perform the service for which the individual is obligated under section 7654 of this title shall be liable to the United States in an amount determined in accordance with section 7617(c)(1) of this title.

(2) An individual who, as a result of performing active duty (including active duty for training), is unable to perform the service for which the individual is obligated under section 7654 of this title shall be permitted to perform that service upon completion of the active duty service (or active duty for training). The Secretary may, by regulation, waive the requirement for the performance of the service for which the individual is obligated under section 7654 of this title in any case in which the Secretary determines that the individual is unable to perform the service for reasons beyond the control of the individual or in any case in which the waiver would be in the best interest of the individual and the United States.

(b) Any amount owed the United States under subsection (a) of this section shall be paid to the United States during the one-year period beginning on the date of the breach of the agreement.

(Added Pub. L. 101-366, title II, § 205(a)(1), Aug. 15, 1990, 104 Stat. 440, § 4355; renumbered § 7655

and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

AMENDMENTS

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4355 of this title as this section.

Subsec. (a)(1). Pub. L. 102-40, §402(d)(1), substituted “7654” for “4354” and “7617(c)(1)” for “4317(c)(1)”.

Subsec. (a)(2). Pub. L. 102-40, §402(d)(1), substituted “7654” for “4354” in two places.

SUBCHAPTER VI—EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM

§ 7671. Authority for program

As part of the Educational Assistance Program, the Secretary may carry out a scholarship program under this subchapter. The program shall be known as the Department of Veterans Affairs Employee Incentive Scholarship Program (hereinafter in this subchapter referred to as the “Program”). The purpose of the Program is to assist, through the establishment of an incentive program for individuals employed in the Veterans Health Administration, in meeting the staffing needs of the Veterans Health Administration for health professional occupations for which recruitment or retention of qualified personnel is difficult.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3352; amended Pub. L. 107-14, §8(a)(16), June 5, 2001, 115 Stat. 35.)

AMENDMENTS

2001—Pub. L. 107-14 substituted “hereinafter” for “hereafter”.

§ 7672. Eligibility; agreement

(a) **ELIGIBILITY.**—To be eligible to participate in the Program, an individual must be an eligible Department employee who is accepted for enrollment or enrolled (as described in section 7602 of this title) as a full-time or part-time student in a field of education or training described in subsection (c).

(b) **ELIGIBLE DEPARTMENT EMPLOYEES.**—For purposes of subsection (a), an eligible Department employee is any employee of the Department who, as of the date on which the employee submits an application for participation in the Program, has been continuously employed by the Department for not less than one year.

(c) **QUALIFYING FIELDS OF EDUCATION OR TRAINING.**—A scholarship may be awarded under the Program only for education and training in a field leading to appointment or retention in a position under section 7401 of this title.

(d) **AWARD OF SCHOLARSHIPS.**—Notwithstanding section 7603(d) of this title, the Secretary, in selecting participants in the Program, may award a scholarship only to applicants who have a record of employment with the Veterans Health Administration which, in the judgment of the Secretary, demonstrates a high likelihood that the applicant will be successful in completing such education or training and in employment in such field.

(e) **AGREEMENT.**—(1) An agreement between the Secretary and a participant in the Program shall (in addition to the requirements set forth in section 7604 of this title) include the following:

(A) The Secretary’s agreement to provide the participant with a scholarship under the Program for a specified number (from one to three) of school years during which the participant pursues a course of education or training described in subsection (c) that meets the requirements set forth in section 7602(a) of this title.

(B) The participant’s agreement to serve as a full-time employee in the Veterans Health Administration for a period of time (hereinafter in this subchapter referred to as the “period of obligated service”) determined in accordance with regulations prescribed by the Secretary of up to three calendar years for each school year or part thereof for which the participant was provided a scholarship under the Program, but for not less than 3 years.

(C) The participant’s agreement to serve under subparagraph (B) in a Department facility selected by the Secretary.

(2) In a case in which an extension is granted under section 7673(c)(2) of this title, the number of years for which a scholarship may be provided under the Program shall be the number of school years provided for as a result of the extension.

(3) In the case of a participant who is a part-time student, the period of obligated service shall be reduced in accordance with the proportion that the number of credit hours carried by such participant in any such school year bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant, but in no event to less than 1 year.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3352; amended Pub. L. 107-14, §8(a)(16), June 5, 2001, 115 Stat. 35; Pub. L. 107-135, title I, §101(b), Jan. 23, 2002, 115 Stat. 2447.)

AMENDMENTS

2002—Subsec. (b). Pub. L. 107-135 substituted “one year” for “2 years”.

2001—Subsec. (e)(1)(B). Pub. L. 107-14 substituted “hereinafter” for “hereafter”.

§ 7673. Scholarship

(a) **SCHOLARSHIP.**—A scholarship provided to a participant in the Program for a school year shall consist of payment of the tuition (or such portion of the tuition as may be provided under subsection (b)) of the participant for that school year and payment of other reasonable educational expenses (including fees, books, and laboratory expenses) for that school year.

(b) **AMOUNTS.**—The total amount of the scholarship payable under subsection (a)—

(1) in the case of a participant in the Program who is a full-time student, may not exceed \$10,000 for the equivalent of one year of full-time coursework; and

(2) in the case of a participant in the Program who is a part-time student, shall bear the same ratio to the amount that would be paid under paragraph (1) if the participant were a full-time student in the course of education or training being pursued by the participant as the coursework carried by the par-