

119TH CONGRESS
2^D SESSION

H. R. 9135

To amend title 38, United States Code, to codify the authority of the Department of Veterans Affairs to provide disability compensation based on individual unemployability, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2026

Mr. SELF introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to codify the authority of the Department of Veterans Affairs to provide disability compensation based on individual unemployability, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Total Disability based
5 on Individual Unemployability Reform Act of 2026” or the
6 “TDIU Reform Act of 2026”.

1 **SEC. 2. CODIFICATION OF DEPARTMENT OF VETERANS AF-**
2 **FAIRS PAYMENT OF DISABILITY COMPENSA-**
3 **TION BASED ON INDIVIDUAL**
4 **UNEMPLOYABILITY.**

5 (a) IN GENERAL.—Chapter 11 of title 38, United
6 States Code, is amended—

7 (1) by redesignating the second section 1167
8 (relating to mental health consultations) as section
9 1169; and

10 (2) by inserting after such section 1169, as so
11 redesignated, the following new section:

12 **“§ 1170. Individual unemployability**

13 “(a) IN GENERAL.—In the case of a veteran de-
14 scribed in subsection (b), the Secretary may assign to the
15 veteran a disability rating of total if the Secretary deter-
16 mines that the veteran is unable to secure or follow a sub-
17 stantially gainful occupation as a result of a service-con-
18 nected disability or combination of service-connected dis-
19 abilities.

20 “(b) ELIGIBLE VETERANS.—(1) A veteran described
21 in this subsection is a veteran who has—

22 “(A) one service-connected disability rated at
23 60 percent or more; or

24 “(B) two or more service-connected disabilities,
25 of which—

1 “(i) one disability is rated at 40 percent or
2 more; and

3 “(ii) the other disability or disabilities
4 bring the combined rating to 70 percent or
5 more.

6 “(2) For purposes of a disability under paragraph
7 (1)(A) or (B)(i), each of the following will be considered
8 as one disability:

9 “(A) Disabilities of one or both upper extrem-
10 ities, or of one or both lower extremities, including
11 the bilateral factor, if applicable.

12 “(B) Disabilities resulting from common eti-
13 ology or a single accident.

14 “(C) Disabilities affecting a single body system,
15 for example, orthopedic, digestive, respiratory, car-
16 diovascular-renal, or neuropsychiatric.

17 “(D) Multiple injuries incurred in action.

18 “(E) Multiple disabilities incurred as a prisoner
19 of war.

20 “(3) In determining whether a veteran is eligible
21 under this subsection, the Secretary shall disregard the
22 existence or degree of any non-service-connected disabil-
23 ities or previous unemployability status of the veteran.

24 “(c) TREATMENT OF OTHER VETERANS.—(1) In the
25 case of a veteran who a rating board determines is unable

1 to secure and follow a substantially gainful occupation by
2 reason of one or more service-connected disabilities but
3 who is not eligible under subsection (b), the rating board
4 shall submit to the Director of Compensation Service a
5 full statement of—

6 “(A) the service-connected disability or disabili-
7 ties of the veteran;

8 “(B) the employment history of the veteran;

9 “(C) the educational and vocational attainment
10 of the veteran; and

11 “(D) any other factor the rating board deter-
12 mines relevant.

13 “(2) The Director of Compensation Services shall
14 evaluate each statement submitted under paragraph (1)
15 and make a determination with respect to the individual
16 unemployability of the veteran.

17 “(d) LIMITATION.—(1) Compensation under this
18 chapter based on individual unemployability may not be
19 paid to a veteran aged 67 or older.

20 “(2) The limitation under paragraph (1) shall apply
21 with respect to a veteran who first received compensation
22 for individual unemployability on or after December 31,
23 2026.

1 “(e) MARGINAL EMPLOYMENT.—(1) For purposes of
2 this section, marginal employment shall not be considered
3 a substantially gainful occupation.

4 “(2) In this section, the term ‘marginal employment’
5 means, with respect to a veteran, that—

6 “(A) the earned annual income of the veteran
7 does not exceed the amount established by the U.S.
8 Department of Commerce, Bureau of the Census, as
9 the poverty threshold for one person; or

10 “(B) the earned annual income of the veteran
11 exceeds the poverty threshold for one person and the
12 Secretary determines based on the nature of the em-
13 ployment and, if applicable, the reason for the vet-
14 eran’s termination, that the employment is marginal,
15 including in cases of employment in a protected en-
16 vironment such as a family business or sheltered
17 workshop.”.

18 (b) CLERICAL AMENDMENT.—The table of sections
19 at the beginning of such chapter is amended—

20 (1) by redesignating the second item relating to
21 section 1167 (relating to mental health consulta-
22 tions) as relating to section 1169 and moving the
23 item to appear after the item relating to section
24 1168; and

- 1 (2) by inserting after such item 1169 the fol-
- 2 lowing new item:

“1170. Individual unemployability.”.

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