

Kathryn A Witt, Gold Star Wives of America, Inc., Co-Chair, Government Relations Committee

Statement of
Gold Star Wives of America, Inc.

For the
Senate and House Committees on
Veterans Affairs
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Presented by
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"With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the nation's wounds, to care for him who has borne the battle, his widow and his orphan."

...President Abraham Lincoln, Second Inaugural Address, March 4, 1865

Not for publication
until released by
the committee

Distinguished Chairmen and Members of the Senate and House Committees on Veterans Affairs, we are pleased to be here today and grateful for the privilege of testifying.

Gold Star Wives of America, Inc. (GSW), founded in 1945, is a Congressionally chartered veterans service organization for the surviving spouses of military service members who died while on active duty or as a result of service-connected illness or injury.

Introduction

We are very grateful to Representative John Hall (NY) for chairing last year's Survivor Roundtable and for the resulting legislation that created the VA Office of Survivors Assistance. Linda Piquet, Acting Director of the Office, has already reviewed established programs that assist survivors. Two weeks ago, members of GSW participated in a focus group to evaluate a draft VA Survivor Survey designed to assess the needs of survivors. We have also contributed to the FAQ section of the Office of Survivors Assistance website.

Repeal the Dependency and Indemnity Compensation (DIC) Offset
To the Survivor Benefit Plan (SBP)

GSW is most grateful to Representative Solomon Ortiz (TX) and Representative Henry Brown (SC) for introducing H.R. 775 that would repeal the DIC offset to SBP. H.R. 775 currently has 136 co-sponsors.

We are also very grateful to Senator Bill Nelson (FL) for all the years he has supported legislation to repeal the DIC offset to SBP. We understand that he plans to introduce legislation in the 111th Congress to repeal the DIC offset to SBP.

GSW strongly supports repealing the DIC offset to SBP. If a surviving spouse is eligible for SBP and DIC, the SBP received is reduced dollar-for-dollar by the amount of DIC received.

There are three categories of surviving spouses who suffer this offset:

- Surviving spouses of retired military service members who purchased SBP at retirement and paid premiums of 6.5 percent of retirement pay to ensure that his/her spouse would have a portion of his earned retirement income after his/her death. If the service member dies of a service-connected disability, the surviving spouse receives a partial refund of the premiums that were paid, and the SBP the surviving spouse receives is reduced by the amount of DIC received. This partial refund is paid without the interest. Although the premiums were paid over many years, the partial refund is taxable as a lump sum in the year it is received reducing the value by 20 to 25 percent.
- Surviving spouses of those who died on active duty between 1972 and 2001 and were retirement eligible at the time of death are eligible for DIC and SBP.
- Surviving spouses of those who died on active duty after 2001 are eligible for SBP and DIC.

There are approximately 54,000 widows and widowers eligible for SBP and DIC.

Approximately 7 percent of those are widows and widowers of military service members who died on active duty. These service members paid for this benefit with their lives, and they all died believing their surviving spouses and children would receive this benefit.

Logically, the DIC offset to SBP should have been removed at the same time that 100 percent disabled service-connected retired service members began receiving both VA compensation and retirement pay (concurrent receipt).

The Veterans Disability Benefits Commission created by Congress to review the benefits provided to the disabled and their survivors recommended the elimination of the DIC offset to SBP.

Increase Dependency and Indemnity Compensation (DIC)

GSW is very grateful to Representative Steve Buyer (IN) for the legislation that he plans to introduce to increase the amount of DIC that survivors receive.

We feel the basic amount of DIC needs to be increased to 55 percent of the VA Compensation received by veterans rated with a 100 percent service-connected disability.

DIC is currently 43 percent of the VA Compensation received by veterans rated with a 100 percent service-connected disability. Most other Federal survivor programs provide 55 percent of the retirement pay of the service member or Federal employee to the surviving spouse. Calculating DIC at 55 percent of the VA Compensation received by veterans who are rated with a 100 percent service connected disability would increase DIC by approximately \$300 per month

The current dollar amount for DIC was set in 1992, and it has been increased only by cost of living allowances (COLA) since that time. An increase in DIC is long overdue.

Rachel Clinkscale, my Co-Chair, and I have received letters, emails and phone calls from our widows about problems paying their utility bills and purchasing food. The ones who are in financial distress are the elderly widows whose only income is DIC or DIC and minimal Social Security. With the current economic crisis and high prices of food and utilities, many of them are unable to pay for the essentials of life.

We have been referring them to charities, food closets and heating assistance programs for help.

Remarriage at 55

We are very grateful to Representative Gus Bilirakis (FL) for introducing H.R. 809 that would allow surviving spouses to remarry at age 55 and retain their DIC benefit.

In 2003, Congress approved legislation to allow surviving spouses who remarried after the age of 57 to retain their DIC benefits. GSW would like to see the age reduced to 55 so that it is consistent with other Federal survivor programs.

Surviving spouses who remarry at 55 retain CHAMPVA - the VA's health insurance program. Both the DoD Survivor Benefit Plan and the Federal Employees survivor benefit plan allow surviving spouses to remarry at age 55 and retain their benefits.

Allowing surviving spouses to remarry at age 55 and retain their DIC benefit would make the age a surviving spouse may remarry consistent with other Government programs for surviving spouses.

When the law changed in 2003 to allow surviving spouses to remarry at 57 without losing DIC benefits, far fewer survivors than anticipated signed up for the benefit.

CHAMPVA Dental and Vision Insurance Plans

GSW is very grateful to Senator Burr for introducing S.498 that would provide access to a dental insurance plan through CHAMPVA.

The Department of Veterans Affairs (VA) does not currently provide access to dental and vision insurance plans through the CHAMPVA health insurance program.

TRICARE, the military health insurance plan, and the Federal Employees Health Benefit Plan (FEHBP) both provide access to dental insurance. FEHBP provides access to both dental and vision insurance. Both the dental and vision insurance plans are funded by the premiums paid by the participants with very little or no cost to the Government.

CHAMPVA recipients need access to a dental and vision insurance plans to maintain their overall health.

Grief Counseling

We request that TRICARE and CHAMPVA provide grief counseling for surviving spouses and children without using a diagnostic code for depression. Having a diagnostic code for depression on one's medical records can interfere with career opportunities and career progression.

Education Benefits

The cost of a college education has increased significantly in recent years, and the Chapter 35 education benefits for survivors need to be increased.

College tuition has increased substantially in the last several years. A college education these days often costs \$40,000 or more a year. The price of books can be substantial. The Chapter 35 education benefit of approximately \$900 per month for a full-time college student does not come close to covering the cost of tuition, books and living expenses.

Most states offer some form of a tuition waiver to military survivors, but not all states do. Additionally, many of these tuition waivers only apply to a specific group of survivors such as the survivors of combat deaths and exclude the survivors of those who died on active duty or died due to a service-connected cause.

It is very difficult for the now single parent of surviving children to provide the funds for a college education that could have been provided by two parents.

The New GI Bill that passed last year excluded survivors.

Additionally, under the current rules, the active duty member who is also a surviving spouse would have to wait until discharged or retired to use their Chapter 35 education benefits.

Requiring an active duty service member to leave active duty to use the Chapter 35 education benefit is detrimental to recruiting and retention of military service members, and it is unfair to those who are both active duty service members and surviving spouses of active duty service members.

CHAMPVA and Medicare Part B

CHAMPVA requires disabled surviving spouses under the age of 65 to purchase Medicare Part B at a cost of approximately \$100 per month.

The requirement to pay penalties and interest if one did not purchase Medicare Part B when it was initially offered also needs to be rectified. Many of the disabled surviving spouses who were required to purchase Medicare Part B initially chose not to purchase it because they thought CHAMPVA covered the costs and the coverage from Medicare Part B was redundant.

In most cases, they were not made aware of the requirement to purchase Medicare Part B until CHAMPVA denied coverage for medications or a claim was denied. When they discovered that they had to purchase Medicare Part B, they were also required to pay penalties and interest.

Neither CHAMPVA nor the FEHBP requires the enabled under age 65 to purchase additional health insurance to receive benefits.

GSW recommends that all those entitled to Medicare Part B purchase it, however we believe that the CHAMPVA requirement for the disabled under 65 to purchase Medicare Part B is discriminatory and is imposed on those least able to pay.

TRICARE, Commissary and PX Privileges with Remarriage after 55

Surviving spouses of those who died on active duty and those who died of a service-connected disability may remarry at 55 and retain SBP. These surviving spouses feel that they should also retain TRICARE, commissary and PX privileges with remarriage after the age of 55.

Space Available Travel on Military Aircraft

Surviving spouses and children should be permitted to use Space Available travel on military aircraft. They should not have lost the privilege of traveling Space Available because their military spouse died.

Killed vs. Died

Policy is often written using the word killed rather than the word died. Those who died are just as dead as those who were killed, and the needs of their survivors are the same.

For example, there were several recent news stories about service members who died of electrocution in the showers in Iraq because the electrical wiring was not properly grounded. This kind of language would unjustly exclude the survivors of those service members.

Consistency of Benefits

Earlier this week I testified about the problems the VA is having with document mishandling. I agree with VA Secretary Shinseki that the claims processing needs to be automated. Consistency

in benefits would reduce the amount of business analysis and the amount of computer programming necessary to produce such a computer system. Consistency would also reduce the amount of time and training needed for VA employees who process claims.