

Mrs. Kathleen Moakler, Deputy Director, Government Relations Department, National Military Families Association

Statement of

Kathleen B. Moakler
Deputy Director, Government Relations
National Military Family Association
Alexandria, Virginia

For the
Hearing on the Subject of
"Benefits for Survivors: Is America fulfilling Lincoln's charge to care for the families of those killed in the line of duty?"

Before the
Committee on Veterans Affairs
of the
United States Senate

February 3, 2005

Not for publication
until released by the
Committee

The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies that will improve the lives of those family members. Our mission is to serve the families of the seven uniformed services through education, information and advocacy.

Founded in 1969 as the National Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA today represents the interests of family members and the active duty, National Guard, Reserve, and retired personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration.

NMFA volunteer Representatives in military communities worldwide provide a direct link between military families and NMFA's staff in the nation's capital. Representatives are the 'eyes and ears' of NMFA, bringing shared local concerns to national attention.

NMFA receives no federal grants and has no federal contracts.

NMFA's web site is located at <http://www.nmfa.org>.

Kathleen B. Moakler, Deputy Director, Government Relations
Mrs. Moakler has been associated with the National Military Family Association since 1995 as a member of the headquarters staff. She has served as Legislative Administrative Assistant and Senior Issues Specialist in the Government Relations Department, NMFA Office Manager, and

since June 2003, as the Deputy Director, Government Relations. Her job requires a broad knowledge of the range of issues relevant to the quality of life of the families of the seven uniformed services. Mrs. Moakler represents the interest of military families on a variety of advisory panels and working groups, including several committees of The Military Coalition. An Army spouse of over 28 years, Mrs. Moakler has served in various volunteer leadership positions in civilian and military community organizations in that time. Through the years, Mrs. Moakler has worked with many military community programs including hospital consumer boards, commanders' boards, family readiness groups, church councils, youth programs, and the Army Family Action Plan at all levels. She believes that communication is paramount in the efficient delivery of services and the fostering of a rich community life for military families. She holds a Bachelor of Science degree in Business Administration from the State University of New York at Albany. Mrs. Moakler has been awarded the Army Commanders Award for Public Service.

In addition to her work at NMFA, Mrs. Moakler participates as a member of the Contemporary Choir at the Chapel at Fort Belvoir, Virginia. She has a new role as a military mom. Her daughter is an Army nurse recently returned from a year in Iraq and one son is an active duty Army National Guard member involved in homeland defense in New York. Her oldest son is an aspiring actor in Hollywood, California. Mrs. Moakler and her husband, retired Colonel Martin W. Moakler Jr., reside in Alexandria, Virginia.

Mr. Chairman and distinguished members of the Committee, the National Military Family Association (NMFA) appreciates your interest in military families, especially the survivors of those who have made the ultimate sacrifice. NMFA is grateful for the opportunity to present testimony about the needs of those families. We believe the focus should be on the total package of benefits available for them, immediately and for the long term.

NMFA thanks this Committee for the improvements to survivor benefits passed in the Veterans Improvement Act of 2004 (P.L. 108-454), including the increase to Dependency and Indemnity Compensation (DIC), extension of education benefits from 10 to 20 years for the survivors of those killed on active duty, and providing an additional \$250 monthly to surviving spouses with children under the DIC program for a two year transition period. Each of these improvements enhances the benefit package provided to the surviving families.

NMFA realizes that the usual focus of this Committee is on the benefits provided to veterans and all survivors of those killed on active duty or as a result of disabilities incurred as a result of active duty service. We believe that the government's obligation as articulated by President Lincoln, 'to care for him who shall have borne the battle and for his widow and his orphan,' is as valid today as it was at the end of the Civil War. The Committee's willingness to provide a forum for discussion of all aspects of benefits for survivors of active duty deaths serves an important purpose. As seen in media reports and in questions we hear from military families and others concerned about military families, NMFA believes there is a lot of misinformation and confusion about what the complete benefit is for those whose servicemembers have made the ultimate

sacrifice. We know that there is no way to compensate them for their loss, but we do owe it to these families to help ensure a secure future.

NMFA strongly believes that all servicemembers deaths should be treated equally. Servicemembers are on duty 24 hours a day, 7 days a week, 365 days a year. Through their oath, each servicemember's commitment is the same. The survivor benefit package should not create inequities by awarding different benefits to families who lose a servicemember in a hostile zone versus those who lose their loved one in a training mission preparing for service in a hostile zone. To the family, the loss is the same.

In this testimony, NMFA will focus on the survivor benefits package as it pertains to the survivors of those killed in the line of duty while serving on active duty including those eligible members of the Guard and Reserve. A summary of the federal benefits provided to survivors is provided in Appendix 1.

Concerns and Recommendations

A scene is becoming all too common as America wages the global war against terrorism. Brave servicemembers are sacrificing their lives in service to their country. It may happen on a dusty battlefield or village in Iraq or Afghanistan or may be the result of an unfortunate helicopter crash at Fort Hood, Texas. While specifics vary by Service, the overall process is the same. The family is visited by the casualty notification team consisting of the chaplain and a member of the servicemember's unit. This family will never be the same again. A casualty assistance officer is assigned to help the family cope with the trying days ahead. Funeral arrangements are made. The memorial service is conducted with military honors and the spouse is presented a flag on behalf of a grateful nation. The bugler blows Taps and the family goes home.

The spouse encounters a confusing array of decisions that must be made, the consequences of which will influence his or her life and the lives of the children for years to come. What can be done to alleviate the stress and confusion facing the family? What changes can be made to the present package of benefits to recognize the service and sacrifice of the servicemember and family and provide appropriate compensation that promotes the financial stability of the family?

NMFA believes the benefit change that will provide the most significant long term protection to the family's financial security would be to end the Dependency Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). The DIC is a special indemnity (compensation or insurance) payment that is paid by the Department of Veterans Affairs (VA) to the survivor when the servicemember's service causes his or her death. It is a flat rate payment, which for 2005 is \$993 for the surviving spouse and \$247 for each surviving child. The SPB annuity, paid by the Department of Defense (DoD) reflects the longevity of the service of the military member. It is ordinarily calculated at 55% of retired pay. Military retirees who elect SPB pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service connected disability, their survivor is also eligible for DIC.

Two years ago, surviving spouses of all servicemembers killed on active duty were made eligible to receive SBP. The amount of their annuity payment is calculated as if the servicemember was

medically retired at 100% disability. The equation is the basic pay times 75% times 55%. As seen in the examples included at the end of this testimony (pp. 9-12), the annuity varies greatly, depending on the servicemember's longevity of service. As the law is written presently, if the amount of SBP is less than \$993, the surviving spouse receives only the DIC payment of \$993 per month. If the amount of SBP is greater than \$993, the surviving spouse receives the DIC payment of \$993 per month (which is non-taxable) plus the difference between the DIC and the SBP. For example, if the SBP is \$1500, the surviving spouse receives \$993 from DIC (non-taxable) and \$507 from SBP that is subject to tax each month. The DIC payment of \$247 for each child is not offset.

Surviving active duty spouses have the option of several benefit choices depending on their circumstances and the ages of their children. By law, the SBP benefit is awarded to the spouse. As can be seen in the examples, it is paid for the spouse's lifetime unless she remarries. Because SBP is offset by the DIC payment, the spouse whose SBP payment would be less than the amount of DIC may choose to waive her SBP benefit and select the 'child only' option. In this scenario, the spouse would receive the DIC payment and her children would receive the full SBP amount until the last child turns 18 (23 if in college), as well as the individual child DIC until each child turns 18 (or 23 if in college). As shown in the examples, once the children have left the house, the spouse who has chosen this option will be left with an annual income of \$11,916 (in 2005 dollars). If there are no dependent children, the surviving spouse whose SBP benefit is less than the \$993 DIC payment will experience this income decline just six months following the servicemember's death. In each case, this is a significant drop in income from what the family had been earning while on active duty. The percentage of income loss is even greater for survivors whose servicemembers had served longer on active duty. Those who give their lives for their country deserve fairer compensation for their surviving spouses.

It has only been since the passage of the FY 2002 National Defense Authorization Act that surviving spouses of servicemembers who had not been retirement eligible and were killed on active duty have been entitled to receive the SPB benefit. This eligibility was made retroactive to 10 September 2001. A correction in P.L. 108-136 allows spouses to choose 'child only' SBP benefits. This change, effective only for deaths after 24 November 2003, allows some families to recover the SBP benefits the spouse would lose because of the DIC offset, but only temporarily. When the children's eligibility ends because of age, the SBP benefit is lost to the family.

As we have described, the interaction between SPB and DIC is a complex procedure to understand. Consider trying to make decisions about this payment distribution a month after losing your spouse, while still in a state of shock and denial.

NMFA recommends that the DIC offset to SPB be eliminated. Doing so would recognize the length of commitment and service of the career servicemember and spouse and would relieve the spouse of making hasty financial decisions at a time when he or she is emotionally vulnerable.

NMFA believes that the survivor benefits package, as outlined in Appendix 1, needs to be viewed as a whole and each individual benefit be studied in the context of the whole package. The recent emphasis on the death gratuity, for example, leads many of the uninformed to believe that it is the only compensation that the surviving family receives. The death gratuity, currently \$12,420, is paid within 72 hours to help the families meet immediate expenses related to the

death of the servicemember. NMFA applauds recent increases to the death gratuity, including the indexing of the payment to increases in basic pay. As with these previous changes, any further increase should be applied equally for all active duty deaths.

NMFA recommends that any increased funding for the death gratuity be applied to increase it across-the-board for all active duty deaths.

The largest payment provided to surviving families soon after the servicemember's death is from the Servicemembers Group Life Insurance (SGLI). The maximum coverage is currently \$250,000. NMFA believes the Services must educate young servicemembers on the importance of signing up for maximum coverage under SGLI and especially on updating beneficiary data. Information provided to NMFA indicates that more than 90% of active duty servicemembers sign up for the maximum amount. The opt-out system, wherein the servicemember needs to show why he or she does not require SGLI, goes a long way in ensuring this participation. We are, however, less sure that National Guard and Reserve members are signing up at the same high rate. The election of insurance is a family decision. Spouses should be included in the decision making process and no servicemember should be allowed to opt-out without the written consent of his or her spouse. We all have heard of a few unfortunate instances where the servicemember had opted out of SGLI when first offered it, then marries and does not sign up for it. There are also cases where the servicemember does not change beneficiary or primary next of kin on the paperwork when he or she marries. While beneficiary information is supposed to be reviewed periodically, in actuality some people fall through the cracks. NMFA proposes a trigger mechanism, perhaps tied to DEERS registration, which would prompt the servicemember to update survivor information when he or she has a change in marital status or adds a dependent.

NMFA is aware that proposals to increase the amount of SGLI are currently under discussion. We believe it is paramount that any proposal to increase the maximum SGLI should be designed to create an incentive for the servicemember to take the maximum amount?for example, that an additional \$100,000 in coverage would be premium-free at the back end not front. The maximum coverage should also be available to all servicemembers.

NMFA recommends that spouses be involved in the decision process if the servicemember elects to opt-out of SGLI. We also suggest a trigger mechanism to prompt the servicemember to update survivor information, i.e. designation of primary next of kin, election of SGLI or change of beneficiary, when family status changes. NMFA also recommends that proposals to increase coverage be designed to ensure that the servicemember take the maximum amount and that the maximum coverage be available to all servicemembers on active duty.

Much of the benefit confusion experienced by surviving families could be corrected by educating the servicemember and spouse about the total survivor benefit package. While some commanders or family readiness group leaders are reluctant to talk about this with families because they feel it will induce added stress or concern, the opposite is true. If the families have an overview of what benefits are available in case of the death of the servicemember, this knowledge can help relieve the stress when they go over the 'what if' scenarios during a deployment. NMFA has a concise overview of survivor benefits in fact sheet format available on its website. We feel, however, that DoD should provide a more in depth overview or explanation, like the annually-updated VA benefits, to be made available in pamphlet form and on-line to educate servicemembers and their

families. The DoD booklet should focus on the survivor benefits available from all federal sources and not get caught up in the minutiae of individual Service procedures.

NMFA recommends that DoD create a handbook similar to the annual VA Benefits Handbook to provide easy access to survivor benefit information to servicemembers and spouses.

The surviving family is presented with a large payment (\$250,000 SGLI plus the \$12,420 death gratuity) when the servicemember dies. The management of that large sum of money is a huge responsibility, especially if young children are involved. The surviving spouse also needs to make decisions that impact the family for many years. The bereaved spouse may be especially vulnerable to unscrupulous or uninformed advisors, friends or family members who may try to take advantage and 'help' the surviving spouse spend or invest the inheritance. The need for unbiased and fair financial counseling has never been greater. At the present time, the VA offers the free services of a financial counseling service 'Financial Point' for one year after the servicemember is killed. The access to a long term service to counsel the family members about what their options are without a financial stake in the outcome could help the surviving families establish an investment plan and make sound decisions about what they should do that is best for their family.

NMFA believes that surviving spouses need long-term access to counsel and advice concerning the entire benefit package. The surviving family will have questions as the years go by and their benefits and their need for different benefits changes. The young widow with a toddler has too many immediate concerns to think about the child's college education 15 years from now. However, she will be looking one day for information about those benefits. Will she be able to access that information and advice in an easy manner with someone who is an expert in benefits for families? Or, will she be forced to walk into an office where the counselor is more familiar with VA health benefits for veterans than about education benefits for surviving children? The surviving spouse needs information unique to her family, not a cookie cutter, one size fits all answer.

Entities that provide this type of survivor-focused service do exist. For example, Armed Forces Services Corporation (AFSC) has supported the military community for years and is renowned for its expertise in government and military survivor benefits and the survivorship services provided to their military members and families. AFSC's staff provide assistance in matters related to military benefits, Social Security, Veterans Affairs, and the military Survivor Benefit Plan, death gratuity, SGLI/VGLI, among others. The centerpiece of AFSC's services is their unique software program that provides a personalized projection of the family's integrated stream of government and military survivor benefits, including changes to the benefit amounts throughout the surviving family's lifetime. A service such as this would help surviving families understand and coordinate their benefits in the years to come. Such a service is so valued that presently Army Emergency Relief and the Navy Marine Corps Relief Society present all surviving families of those killed on active duty with lifetime memberships in the Armed Forces Services Corporation to guarantee that they receive the counseling and advice they require.

NMFA recommends the establishment of a Survivor Office within the VA to provide long-term information and support for surviving spouses and children and offer individualized information

about each surviving family's benefit package. A significant element to that support should be access to professional financial counseling.

To a child, the loss of a parent is a life-changing event. As he or she goes through the process of grieving for the parent some help may be required. The VA states that it offers grief counseling to families through its Vet Centers; however, NMFA is concerned about the Department's current capacity to provide that counseling for all who need it. NMFA hopes the VA and DoD will work together to identify the needs of surviving children and promote adequately-resourced programs and initiatives to support those needs.

NMFA recommends that DoD and the VA identify the emotional needs of surviving spouses and children, especially in the area of grief counseling, and promote programs and initiatives to support those needs.

The military Service casualty assistance officer has received training to help the family through these difficult times. This assistance, however, is performed as an extra duty and the officer is not an expert in survivor issues or financial counseling. Understanding all the benefits and entitlements is a complex process. We have heard from surviving families that they greatly appreciated the help and support provided by the casualty assistance officer in those first days as he or she served as a representative of their parent service. The presence of the casualty assistance officer demonstrates to the family that 'we take care of our own' and can be a great comfort to the family as they go through the military funeral and honors. Sometimes, however, training for this extra duty can be hurried or incomplete and may result in misinformation or a missed step in a procedure that is not discovered until months down the road with consequences that are irrevocable. Family readiness group leaders and other volunteer support could also benefit from specific training in the area of benefits and support services available for surviving family members.

NMFA recommends improved and consistent training for the Casualty Assistance Officers and family support providers so they can better support families in their greatest time of need. Training and responsibilities of Casualty Assistance Officers vary by Service. It is only fair to families that they have the best help available.

NMFA has also identified some small fixes to legislation and policy that could help surviving families in their transition process. As we all know, it is often the small inconvenience that may be the straw that breaks the camel's back. Each surviving family has a unique situation. The policy as written now allows the surviving family to remain in government housing for 6 months after the death of the servicemember. This date may come in the middle of a school semester or year. When a child has had to cope with the death of a parent, the consistency and support of their school is important. NMFA recommends that the 6 month limit for occupancy of government quarters or military housing privatized by DoD be waived to allow the children to finish the school year if the family so chooses. Rent would be charged for the extra time.

Guard and Reserve families may choose to keep their employer sponsored health and dental care when their servicemember is activated and deployed. The family's eligibility for this care may cease if the servicemember is killed on active duty. These families may need information and assistance in making the transition into the TRICARE health system, but they are eligible for the

benefit just as if they had been using TRICARE when the servicemember died. However, in the case of the TRICARE Dental Program (TDP), the dental insurance for active duty families, legislative changes are needed to make these families eligible for the benefit available to other survivors. As the law is currently written, only those families enrolled in the TRICARE Dental Program (TDP) at the time of the servicemember's death are eligible to continue enrollment and receive premium free dental insurance for three years. NMFA recommends that in cases where the family has employer sponsored dental insurance they be treated as if they had been enrolled in the TRICARE Dental Program at the time of the servicemember's death.

NMFA thanks this Committee for your attention to the well-being of military families, especially for those who have lost a loved one in service to the nation. Servicemembers killed on active duty have made the ultimate sacrifice. Their surviving families deserve the most comprehensive package of benefits that a grateful nation can provide. This package should reflect the obligation of the government to compensate the survivors of all servicemembers killed on active duty. It must meet families' short-term needs, provide for their long term financial stability, and recognize the commitment and service of the servicemember and family. With this focus, a grateful Nation can continue to fulfill the promise made to military families by President Lincoln.

Appendix 1

Benefits paid by the Department of Defense (DoD):

? Death gratuity - \$12,420, indexed to increases in basic pay. This is paid to the designated next of kin and is not taxable. This is supposed to be paid within 24 hours of notification of death. The purpose of this payment is to help the survivors in their readjustment and to aid them in meeting immediate expenses.

? Burial benefits ? DoD will process, transport and inter remains. A casket, vault and headstone are provided or costs of up to \$6,900 may be reimbursed if the family elects to make private arrangements. Transportation costs for the immediate family are reimbursed if they must travel for the funeral.

? Military Health and Dental Care Benefits ? All otherwise eligible spouses and children remain eligible for military health care coverage. For three years from the date of death, TRICARE benefits, including co-pays, remain the same as active duty family benefits. After three years, the cost of TRICARE and TRICARE co-pays rise to those of retirees. In most cases, the survivors receive dental insurance premium-free for 3 years, before becoming eligible for the premium-based Retiree Dental Program. The spouse loses eligibility for medical and dental benefits upon remarriage and it may not be reinstated. Children have benefits until age 18 or 23 if enrolled in college.

? Survivor Benefit Plan (SBP) ? Surviving spouses of servicemembers who die on active duty are entitled to SBP benefits. SPB payments equal 55% of what the member's retired pay would have been had the member been retired at 100% disability, i.e. 75% of the basic pay (Basic pay times 75% times 55%). SBP is automatically adjusted annually for cost of living increases. SPB payments are subject to federal income taxes. The spouse may decide to waive their payment and have payment made to children only until the children reach age 18 or 23 if enrolled in school. If the spouse remarries before age 55, SPB payments cease. If the subsequent marriage ends in death, divorce or annulment, SPB may be reinstated. If the spouse remarries after age 55, the

SBP payments continue. SBP payments are offset by Dependency and Indemnity Compensation (DIC) payments.

? Housing benefit ? Surviving families may occupy government quarters or be paid housing allowances for 180 days. These allowances vary according to rank and geographic location. In addition, the family is eligible for one move at the cost of the government.

? Servicemember's Group Life Insurance (SGLI) ? All servicemembers are automatically enrolled for \$250,000 of coverage unless they explicitly decline the insurance or purchase lower levels of coverage. SGLI will be paid to the individual designated on the servicemember SGLI election and certificate form. If no beneficiary is elected by the servicemember, the proceeds are paid first to the surviving spouse; if none, the child(ren) (natural, adopted or illegitimate) in equal shares; if none, to the parents (natural or adopted).

? Other DoD benefits ? Spouses are eligible for Commissary, Exchange, and Morale, Welfare and Recreation activities privileges indefinitely unless they remarry. Children maintain eligibility until age 18 or 23, if still enrolled in college.

Benefits paid by the Department of Veterans Affairs (VA)

? Transition Assistance ? a monthly payment of \$250 paid to surviving spouses with children for two years from the date of death of the servicemember to help with transition.

? Dependency and Indemnity Compensation (DIC) ? Surviving spouses and children (and some dependent parents) are eligible for DIC. The rate has been adjusted annually for cost of living increases. The 2005 spouse DIC rate is \$993 monthly. The DIC payment is non-taxable.

Additional amounts, also adjusted annually, are authorized for a surviving spouse with minor children. The current monthly benefit is \$247 for each child. Unmarried children are eligible for the benefit until they reach the age of 18 (19 if still in secondary school), between 18 and 23 if they are attending a VA approved institution of higher learning or for life if they are disabled while still eligible for the benefit. Children of a deceased member, who did not have a spouse at the time of death, receive a different monthly benefit. If the spouse remarries before age 57, payment of the spouse's DIC ends. The children's DIC payment continues as long as they are eligible. If the subsequent marriage ends in death, divorce or annulment, DIC will be reinstated.

? Survivors' and Dependents' Educational Assistance Program ? Surviving spouses and children are eligible for up to 45 months of education benefits. Beginning 1 July 2005, the surviving spouse of a servicemember killed on active duty has an extended eligibility for education benefits of up to 20 years after the date of the member's death. Children are normally eligible to receive the educational benefits between their 18th and 26th birthdays. The current monthly benefit is \$803 per month and increases to \$824 on 1 October 2005.

? Home Loan Guarantees ? An unremarried surviving spouse is eligible for GI home loans and retains eligibility if remarriage occurs after 57th birthday.

Benefits paid by the Social Security Administration:

? Social Security monthly benefits are paid to a spouse or a divorced spouse regardless of age if the children of the deceased servicemember are under age 16 or are disabled and meet social security requirements. The amount paid can only be determined by the Social Security Administration.

? Social Security Lump Sum Death Benefit ? a payment of up to \$255 is paid to the surviving spouse living with the member at the time of death or to the oldest surviving child if there is no spouse.

Some states also pay death benefits or provide other support, especially to the survivors of National Guard or Reserve members killed on active duty. The scope of these benefits and eligibility for them varies by state.

EXAMPLE 1

Servicemember, E-4 over 2 years, age 23, 10th Mountain Division, Fort Drum, NY

Monthly pay and allowances

Basic Pay	\$1,695	
Imminent Danger Pay	225	
Family Separation Allowance	250	
Basic Allowance for Housing	735	
Basic Allowance for Subsistence	267	
Total Pay and Allowances	\$3,172	\$38,064 (annual)

Killed in Line of Duty in Iraq

Spouse, 22 years old, 2 children ages 1 and 3

Benefits

Lump Sum payment: Death Gratuity (\$12,420), SGLI (\$250,000), and Social Security Death Benefit (\$255)

Total: \$262,675

Education Benefits

Spouse ? 45 months at \$803 per month ? eligible for 20 years

Children ? 45 months each at \$803 per month ? between ages of 18 & 26

Monthly benefits (under current laws, for first six months after servicemember's death)

DIC for spouse \$ 993

DIC for children \$247 each 494

SBP for spouse and children 0*

Social Security 1,630

(determined by calculator at www.ssa.gov,

based on servicemember's income)

VA Transition Payment 250

BAH (for Fort Drum) 735

Total of monthly benefits \$4,102 (\$4802, if choosing 'child-only' SBP option)

*SPB spouse annuity payment is \$700 per month but is offset by DIC under current law. The family could choose to receive the \$700, if the chooses the 'Child-only SBP' option.

Changes in Total Annual Benefits (in 2005 dollars)

Years since servicemember's

death Event Triggering Benefit Change With DIC offset to spouse SBP

(current law) Spouse chooses

Child-only SBP If DIC offset to spouse SBP would be eliminated

immediately First 6 months (at annual rate), includes Basic Allowance for Housing

(BAH) \$49,224 \$57,624 \$57,624

6 months End of 1st 6 months (at annual rate): BAH stops \$40,404 \$48,804 \$48,804
 2 years Beginning of year 3: VA transition payment stops \$37,404 \$45,804 \$45,804
 15 years Oldest child turns 18, but in college: 30% of Social Security ends \$34,152 \$42,552 \$42,552
 15 years Youngest child turns 16: Mother's Social Security ends 75% \$26,004 \$34,404 \$34,404
 17 years Youngest child turns 18 but in college: Social Security ends \$17,844 \$26,244 \$26,244
 19 years Oldest child turns 23: DIC of \$247 ends \$14,880 \$23,280 \$23,280
 21 years
 Spouse aged 43 Youngest child turns 23: child DIC and SBP for child-only ends \$11,916 \$11,916 \$20,316

Example 2

Servicemember, E-4 over 2 years, age 23, activated Guard from Topeka, KS

Monthly pay and allowances

Basic Pay \$1,695

Imminent Danger Pay 225

Family Separation Allowance 250

Basic Allowance for Housing 701

Basic Allowance for Subsistence 267

Total Pay and Allowances \$3,172 \$37,656 (annual)

This does not take into account what the servicemember might have been making at his civilian job and how this affects the family income.

Killed in Line of Duty in Iraq

Spouse, 22 years old, no children

Benefits

Lump Sum payment: Death Gratuity (\$12,420), and SGLI (\$250,000)?Total: \$262,420

Education Benefit

Spouse ? 45 months at \$803 per month ? eligible for 20 years

Monthly benefits (under current laws, for first six months after servicemember's death)

DIC for spouse \$ 993

SBP 0*

BAH (for Topeka, KS) 701

Total of monthly benefits \$4,102

*SBP annuity payment is \$700 per month but is offset by DIC under current law

Changes in Total Annual Benefits (in 2005 dollars)

Years since servicemember's death Event Triggering Benefit Change With DIC offset to spouse SBP

(current law) If DIC offset to spouse SBP would be eliminated immediately First 6 months (at annual rate) (With BAH) \$20,328 \$28,728

6 months

Spouse aged 23 End of 1st 6 months (BAH stops) \$11,916 \$20,316

Example 3

Servicemember, E-7 over 14 years, age 34, II Marine Expeditionary Force, Camp Lejuene, NC

Monthly pay and allowances

Basic Pay \$3,249

Imminent Danger Pay 225

Family Separation Allowance 250

Basic Allowance for Housing 974

Basic Allowance for Subsistence 267

Total Pay and Allowances \$4,965 \$59,580 (annual)

Killed in Line of Duty in Iraq

Spouse, 33 years old, 2 children ages 11 and 13

Benefits

Lump Sum payment: Death Gratuity (\$12,420), SGLI (\$250,000), and Social Security Death Benefit (\$255)?

Total: \$262,675

Education Benefits

Spouse ? 45 months at \$803 per month ? eligible for 20 years

Children ? 45 months each at \$803 per month ? between ages of 18 & 26

Monthly benefits (under current laws, for first six months after servicemember's death)

DIC for spouse \$ 993

DIC for children \$247 each 494

Spouse SBP 347*

Social Security 3,144

VA Transition Payment 250

BAH (for Camp LeJeune, NC) 974

Total monthly benefits \$6,202

*SBP annuity payment is \$1,340 per month but is offset by DIC under current law

Change in Total Annual Benefits (in 2005 dollars)

Years since

servicemember's death Event Triggering Benefit Change With DIC offset to spouse SBP

(current law) Spouse chooses Child-only SBP If DIC offset to spouse SBP would be eliminated

immediately First 6 months (at annual rate) with BAH \$74,424 \$86,340 \$86,340

6 months End of 1st 6 months (at annual rate): BAH stops \$62,736 \$74,652 \$74,652

2 years Beginning of year 3: VA transition pay stops \$59,736 \$71,652 \$71,652

5 years Oldest child turns 18 but in college: 30% of Social Security

ends \$53,448 \$65,364 \$65,364

5 years Youngest child turns 16: Mother's Social Security ends, 75% \$37,728 \$49,644 \$49,644
7 years Youngest child turns 18 but in college: Social Security ends \$22,008 \$33,924 \$33,924
9 years Oldest child turns 23: DIC for that child ends \$19,044 \$30,960 \$30,960
11 years
Spouse aged 44 Youngest child turns 23: DIC & SBP for child only
ends \$16,080 \$11,916 \$27,996

Example 4

Servicemember, O-5 over 22 years, age 44, 82nd ABN, Fort Bragg, NC

Monthly pay and allowances

Basic Pay \$6,997

Imminent Danger Pay 225

Family Separation Allowance 250

Jump Pay 150

Basic Allowance for Housing 1,399

Basic Allowance for Subsistence 175

Total Pay and Allowances \$9,196 \$110,352 (annual)

Killed in Line of Duty in Iraq

Spouse, 42 years old, 2 children ages 17 and 18

Benefits

Lump Sum payment: Death Gratuity (\$12,420), SGLI (\$250,000) and Social Security Death Benefit (\$255)?

Total: \$262,675

Education Benefits

Spouse ? 45 months at \$803 per month ? eligible for 20 years

Children ? 45 months each at \$803 per month ? between ages of 18 & 26

Monthly benefits (under current laws, for first six months after servicemember's death)

DIC for spouse \$ 993

DIC for child under 18 247

SBP 2,800*

Social Security 1,494

VA Transition Payment 250

BAH (for Fort Bragg) 1,399

Total monthly benefits \$7,183

*SBP annuity payment is \$3,793 per month but is offset by DIC under current law

Changes in Total Annual Benefits (in 2005 dollars)

Years after

servicemember's death Event Triggering Change With DIC offset to spouse SBP (current law) Spouse chooses Child only SBP With DIC offset to Spouse SBP eliminated

immediately First 6 months (at annual rate) with BAH \$86,196 \$98,112 \$98,112
6 months End of 1st 6 months (at annual rate): BAH stops \$69,408 \$81,324 \$81,324
1 year Youngest child turns 18 but in college: Social Security ends \$51,480 \$63,396 \$63,396
2 years Beginning of year 3: VA transition pay ends \$48,480 \$60,396 \$60,396
5 years
Spouse is 47 years old Youngest child turns 23: DIC & SBP for youngest child ends
\$45,516 \$11,916 \$57,432