

Mr. Richard Delaney, National President, TREA

Chairmen Sanders and Miller, Ranking Members Burr and Michaud and distinguished members of both Committees: It is an honor for me to speak before this Joint Committee hearing about TREA's FY2014 Legislative goals and the concerns and needs of America's veterans, their families and survivors.

I am Richard Delaney, the newly elected President of The Retired Enlisted Association. It is my honor to hold this office in the year that TREA is celebrating its 50th anniversary. We were created in 1963 to give a voice to the needs and ideas of the men and women who have served in America's enlisted ranks. Our members are from all the branches of the Armed Services. They serve in the active duty, National Guard and Reserves. Until recently our members had served or were in line to serve a full career in the military. But now we have opened our membership to veterans of the enlisted ranks as well as retirees. This is a very happy turn of events. As a VSO with members who were DoD retirees as well as veterans we always worked on and studied veteran issues. But now happily we also have them in our ranks.

This written testimony, you may very well, be happy to know is shorter than we have normally submitted to you. Because both this is the very beginning of a new session of Congress and the Administration's budget has been delayed there are fewer pending proposals and bills that we are going to urge you to support or reject. So we are able to speak to you about our broad policy concerns and what we think is best for the entire military family; and indeed for our entire nation.

By the end of 2014 America's longest war is expected to be over. Our remaining 66,000 men and women should be back from Afghanistan. (Though we all know the world is still a very dangerous place and the United States will still need to respond to new threats in the future.) When they return home they must be shown the honor and gratitude and given the practical help that they have earned and deserve. And their families and survivors deserve the help, support and protection that our service members expected. While there has been real improvement from the depths of the recession the men and women who are returning to civilian life today and in the near future are still in an extremely slow and unhappy economy.

Your Committees have never forgotten this Nation's sacred duty to her veterans, and their families and survivors and we are very grateful. During the last several years you have shepherded through Congress dramatic increases in the amount of VA funding, passed an advanced appropriation procedure for VA healthcare and created a wonderful education G.I. Bill. We are extremely grateful for all these improvements. However when times are tough; and these are tough times people start looking for places to cut. We urge you to protect all these improvements you have made.

VA CLAIMS BACKLOG AND ADJUDICATION IMPROVEMENT

TREA firmly believes that the claims backlog is still the most pressing problem facing veterans going to the VA today. Obviously we are well aware of the time and effort Secretaries Shinseki and Hickey and their staffs have given to this problem. And clearly there have been improvements. But in the VA's February 16th Monday Report there are over 2,000,000 pending cases. Approximately 70% of the Compensation entitlement and rating cases have been pending for over 125 days! And as more and more men and women leave the service as the wars wind down and DoD cuts the services end strengths it will just get worse. The backlog is still

growing and will continue for the foreseeable future

It is clear that the work of all of you in these Committees and at the VA has had a good effect on some types of cases. Most of the new presumptive/Agent Orange cases have been decided. We have stopped having our phones ring off the hooks concerning problems with pending G.I Bill cases and the latest report shows only 15,000 pending Chapter33 cases. And many knowledgeable people seem to have great hopes for the methods being tested in pilot programs concerning " Fully Developed Claims (FDC)" And we so hope they are right.

But we strongly urge you to use your oversight powers that these perceived improvements are accurate and will continue.

TREA is hopeful that now that we may be reaching a tipping point and that the pending case load will start to go down.

It must be remembered that while a veteran is waiting for a disability decision to be made he or she must continue to keep body and soul together; as well as support a family and hopefully start a new life or continue a productive one. It is crucial for all returning veterans, as well as those who served in the past, to have their claims quickly and correctly adjudicated. It is also critical for the faith of all Americans in our system that this problem finally be solved. There has not been the consistency of outcomes throughout the Country that is essential for a system of adjudication to be fair and to be seen to be fair. When the public hears about the backlog or incorrectly decided cases they start to lose faith in the entire system.

THE QUESTION OF THE CHAINED CPI

All around Washington the idea of the Chained CPI (Consumer Price Index) has once again raised its ugly head. Since the 1990s many federal officials have been urging replacing the present CPI with a chained CPI. Of course you are not formally a Committees of Jurisdiction for this proposal but it is, we are sure, of deep concern to all of you. It is important to you because it is great concern to American veterans, their families and survivors.

The appeal of the Chained CPI is not, in all sincerity, to create a more accurate calculation of increased costs. Rather it is intended to save the federal government money. The logic of the Chained CPI is simply when prices go up a person will substitute lower priced items for the higher price ones. But how often can one do that? Do we wish our disabled veterans and DIC survivors to go from beef, to chicken, to canned tuna, to noodles, to bread year after year? These programs were created to help reimburse people for the financial loses they have suffered (it can never help to repair the emotional ones) in the service of their country.

Since 2002 the Bureau of Labor Statistics has been tracking the Chained CPI against the conventional CPI . The Chained CPI averages .25% to .3% less per year. In just a few years this proposal will truly harm our citizens on a fixed income. i

Even now everyone it does not make them financially whole. Prices swirl and those on fixed incomes have to decide what to give up when gas goes sky high...which causes food prices to increase... and on and on and on. But while the present CPI does not hold harmless veterans who receive service connected disability pay and survivors who receive DIC; it is better. It is fairer. TREA urges you to make clear to your colleagues throughout Congress that this is not the way to deal with the deficit.

VA HEALTH CARE

Of course we always have ideas of how to make a program, or Department work better. To make it serve our veterans in the way they deserve. But before we start our suggestions we should take some time to say what a terrific job the VA has done in so many ways. In the last year the VA has provided first class health care for over 5 ½ million veterans of the approx. 8 million veterans enrolled throughout the country. In these tight economic times they are running 153 medical center and approx 750 local clinics. They are getting first class health care nearer to where veterans live. The quality of care has become better and better and the VA's specialty health care services- spinal cord injuries, prosthetics and treatment for the blind- are among the best in the world. Before we make some suggestions on how to make it better we wish to acknowledge all that has been done and to say- Thank You.

This year TREA has no idea what the Administration will propose for the FY2014 VA healthcare budget. Of course it is critical that the amount be enough to pay for this important benefit. If the Continuing Resolution runs throughout FY2013's fiscal year we may never see this year's proposed 4.5 % increase nor FY2014's year's proposed advanced appropriation increase of 3.3% increase. But as we have previously noted more and more veterans are coming to the VA for medical treatment. TREA urges you to do everything in your power to see that VA is properly funded.

Long after a war is over there are tremendous costs that need to be dealt with. There are presently 22 million veterans in the United States. 67% of the 1.4 million new veterans returning from Iraq and Afghanistan have used a VA "benefit or service." The VA also estimated that there will be 600,000 more veterans using the VA in the next 5 years.

And it goes on and on. These are amazing numbers and if the health care is not properly funded the whole system can seize and freeze up. In fact complaints are growing from different parts of the country. That is why we urge you to support and pass Representative Dennis Ross' of Florida, H.R. 241 " Veterans Timely Access to Health Care Act" which would require that the VA provide an appointment within 30 days of being contacted. There were terrible delays for treatment in the past and great progress was made. We do not wish the problem to reappear.

We were extremely upset when less than a month ago the Department of Defense and the Department of Veterans Affairs jointly announced that they were stopping all work on developing a single life time electronic medical record that would cover a patient from the day until they died. he or she ENROLLED in the service until his or her last breath. After literally decades of work and at least one billion spent they said it was not necessary and they have 2 systems that work fine together. We find that hard to believe. TREA was very pleased to see that the House VA Committee scheduled a hearing on February 27th to hear an explanation of this startling turn of events. If the 2 systems do work together adequately, then why all the work on a new system? If they don't work; they why are they giving up? And if the two Departments think it is just throwing good money after bad; then why don't they tell us? TREA TREA was very excited about the prospect of this new electronic system since we thought it could lead to:

- a clear and instantaneous keeping and transfer of medical information
- a system that could help our veterans become and stay healthy
- would make medical treatments easier and more successful
- would make adjudication of claims easier
- could help us recognize and trace wartime injuries and new illnesses quickly
- would save the VA and DoD countless hours of work keeping, finding and distributing data.

TREA also urges the VA to continue their analysis of what is causing the spike in veterans suicides and how to better treat them. Also, we urge the VA to focus on their own finding that

69% of veterans' suicides are men and women over the age of 50. Since this is clearly true from the VA's recently completed 2 year study. It seems likely that the treatments of veterans who have recently returned from a war zone may not be effective in dealing with the problems burdening a man or woman who had been out of the military for decades.

We also note once again that for older Veterans there will be an ever growing need for nursing home care. The demographics of many of our elderly veterans require the VA to focus on this urgent issue. The financial losses that many American families suffered for the past several years (with little time to regroup) will naturally cause them to look to VA and State programs for help in caring for their loved ones. The VA's partnership and support with state veteran nursing homes is a good program that in even these difficult times must be increased. The per diem paid by the VA should be increased. And while providing care for elderly veterans the VA should be allowed to do what all other qualified American providers are allowed to do: collect from Medicare. These Veterans have paid for their Medicare coverage throughout their careers. The VA should be allowed to become a Medicare provider and collect appropriate fees..

TREA urges you to remain vigilant in maintaining appropriate levels of funding for the needed VA health care.

TREA urges the passage of H.R. 241

TREA urges you to discover why the electronic medical record project has ended.

TREA urges the VA to continue their focus on suicide causes and prevention for all suffering veterans.

TREA urges Congress to pass an increase in the per diem paid by the VA to state nursing homes to provide care and comfort to our aging veterans.

TREA urges Congress to support legislation to allow the VA to become a Medicare provider.

VETERANS EMPLOYMENT

With the winding up of the war in Afghanistan and force reductions that are taking place, hundreds of thousands of military veterans are going to be leaving the service over the next several years. The best way to reintegrate them back into society is to find them jobs. The unemployment rate for veterans, which has been an unsightly sore on American society for the last several years, has admittedly improved in the last year. The 6.3% unemployment rate for all veterans is a welcome change, but the 9.9% unemployment rate for Post-9/11 veterans is still higher than the 7.9% national rate. We thank the committees for their focus on this pressing issue.

As has been known for years now, the unemployment rate for veterans can fluctuate greatly among different sub-groups, and the numbers can change from month to month because of small sample sizes. The sub-group of veterans who have had the hardest time finding work is the 18 to 24 age group. Not surprisingly, this is the age group with the highest unemployment rate nationally as well. 25% of this group of veterans was unemployed in 2011, and according to reports that rate dropped to 20% last year. So while the improvement is welcome, it is clear that there is much, much more work to be done.

Female veterans seem to be having a tougher time in the job market than male veterans for reasons that remain unclear. According to the Bureau of Labor Statistics (BLS), their unemployment rate went up last year from 12.4% to 12.5%. This means that about 37,000 female veterans are currently out of work, up from 35,000 last year.

TREA applauds the attention and effort that Congress, the White House, the local communities, states and the private sector have paid to this important issue, but we encourage everyone to double down in their efforts. With the huge numbers of veterans returning to the private sector in the months and years ahead, it is possible that we could see these numbers shoot up if we let our guard down.

One way Congress can continue to make a difference for veterans seeking employment would be to reauthorize the Work Opportunity tax credits (WOTC) in the VOW To Hire A Hero Act. The WOTC changed the meaning of a qualified veteran in the tax code and provided up to a \$5600 tax credit to employers who hire a veteran who has served over 180 days of active service and up to \$9600 for hiring a disabled veteran who has served more than 180 days of active duty.

Continuing this program would give veterans a leg up in the worst job market since the Great Depression, and it would help members of the National Guard and Reserves to find jobs. It is believed that employers, upon hearing about the Department of Defense's new "Operational Reserve" policy can possibly be less likely to hire Guard & Reserve members without additional incentives.

It is for these reasons that TREA supports S.6 Sponsored by Senate Majority Leader Harry Reid (D-NV), this bill extends the VOW to Hire Heroes Act of 2011, the Veterans Retraining Assistance Program (VRAP), and the Wounded Warrior Act through 2016 would thus help continue the impressive progress that has been made on veteran unemployment.

The passage of the VRAP last year was an important step in helping to retrain older veterans who have exhausted their standard education benefits but needed help getting the skills to compete in a 21st-century economy and for that we thank you. We also urge you to pass H.R.562, which would provide for a three-month extension of VRAP, and thank Chairman Jeff Miller (R-FL) for his work on this issue.

Enforcing the three-percent rule contract set aside and increasing Small Business Administration funding for new Veterans Business Development Centers and other similar programs will provide veterans with necessary training, business planning, networking, and access to capital. TREA is working with the Presidential Inter-Agency Task Force, as well as the Veteran Entrepreneurship Task Force (VET-Force) to achieve these aims as well. TREA believes that since veterans tend to hire other veterans, advancing veteran-owned businesses goes a long way towards ensuring that America successfully reintegrates the so-called "tsunami" of veterans re-entering society in the next several years.

Transition Assistance Program

One way to encourage veteran participation in business interests is by training them through the recently enhanced Transition Assistance Program (TAP). TREA is happy that this has now become mandatory for the vast majority of service members transitioning out of the military as it is the best chance to provide veterans with the skills that they are going to need to thrive in the private sector.

The services provided by the Department of Labor Veterans Employment Training Service (DOL-VETS) meets the ongoing employment and training needs of transitioning veterans, especially those injured or disabled, and brings together employers and qualified veterans to fill open positions.

The Jobs for Veterans State Grant program distributes funding to states for Disabled Veterans'

Outreach Program (DVOP) specialists to work with veterans who have the "most significant barriers to employment" as well as Local Veterans' Employment Representative (LVER) staff. LVERs are on the front lines of the veteran employment issue, convincing employers in their local areas that veterans possess the skills and training that will make them model employees. The Homeless Veterans' Reintegration Program aims to reintegrate homeless veterans back into both society and the workforce. In FY 2011 this program helped place thousands of previously homeless veterans on the road to recovery and integration. It has undoubtedly been a big part of lowering the overall homeless veteran population, along with the Department of Housing and Urban Development's homeless veteran voucher program.

The Veterans' Workforce Investment Program is a great tool to train veterans for meaningful employment through things like apprenticeships on-the-job training and encourages effective use of services for eligible veterans who face significant barriers to employment.

TAP Employment Workshops provide critical assistance to service members and their spouses by giving them the tools necessary for a successful transition from military to civilian life. DOL expects that in 2012 5,700 TAP classes will be provided to more than 200,000 participants worldwide.

We also want to point out the importance of the Disabled Transition Assistance Program (DTAP), through which individuals leaving the military with service-connected disabilities go through an individualized course to determine their level of employability in addition to the normal TAP program. DTAP provides information to wounded service members and their families at a crucial time in their lives.

Because these individuals are often receiving care while separated from their regular units during their military service discharge process and are no longer located on or near a military installation, they are often forgotten in the transition assistance process. Coordination needs to be closer between the DOD, VA, and the DOL-VETS to ensure these severely disabled service members get the TAP services that they need and deserve.

It has come to our attention that large numbers of reserve and National Guard service members are moving through the out-processing system with only a shortened version of TAP, rather than the more comprehensive program attended by active component service members. Neither the DOD nor VA seems prepared to handle the large numbers and prolonged activation of reserve forces for the global war on terrorism. Rapidly transitioning from active duty to civilian life is a strenuous event even if a disability is not involved. Guard and reserve service members spend little of their time at demobilization sites learning about veterans' benefits and services. This is an issue that will begin to take on even more importance in the coming years.

TREA recommends that all TAP classes include in-depth VA benefits and health-care education sessions as well as allow time for question and answer sessions. This would help prevent the embarrassment that the military community suffered when the Navy SEAL who killed Osama bin Laden told a reporter that he had no access to health care or any other way to help his family now that he was out of the military. Ensuring every service member is aware of existing benefits before they leave the service is the key to making sure embarrassments like this never instances like this. TREA strongly supports housing all veteran-related employment initiatives under one roof, and believes that the VA is best suited to carry out the mission of helping veterans find meaningful employment in the challenging 21st century job marketplace.

VETERAN EDUCATION BENEFITS

TREA salutes the House and Senate Veterans' Affairs Committees for their continued support of the Post 9/11 GI Bill, which is possibly the greatest reminder of our country's gratitude towards the men and women who have served and sacrificed for all of us.

However powerful those sacrifices might be, we feel that the Post-9/11 GI Bill is vulnerable in the current climate of budgetary contraction. These Post-9/11 GI Bill benefits are non-negotiable. Changing the rules of the game after the sacrifices have been made is no way to support a strong and healthy national defense. To ensure that these benefits remain robust, the VA must accurately measure the short-term and long-term impacts of the Post 9/11 GI Bill.

For instance, stories of predatory practices among some for-profit schools receiving Post-9/11 GI Bill funds can lead to mistaken assumptions that the entire benefit and the whole for-profit education industry is rife with fraud and abuse, and thus should be cut back. The fact that Department of Education (DOE) sanctioned five schools, including four for-profit institutions, for excessive default rates among students and that all of the schools in question have continued to receive Post-9/11 GI Bill funds raises troubling questions.

President Obama's executive order last year that sought to improve consumer education and consumer protection resources for student veterans is a good start, but codifying these principles by passing a law in Congress would have a much higher probability of standing muster in court. Improving oversight and coordination among state and federal agencies responsible for auditing and certifying schools would go a long way towards alleviating many of the problems surrounding the use of GI Bill funds. The fact that the Secretary of the VA is prohibited from exerting any kind of influence or oversight over the State Approving Agencies (SAAs) is an avenue that could be explored to ensure GI Bill funds are being spent appropriately. Ensuring that the SAAs are funded adequately is another way to improve the system.

Another form of oversight would be to allow the Veterans Benefits Administration (VBA) to have access to information already gathered and tracked by the Departments of Education, Justice, and Defense. This would allow the VBA to make fact-based and informed decisions regarding educational institutions that receive federal funding and serve veterans. Moreover, if another federal agency or department has sanctioned an institution of higher learning for predatory or other questionable practices, the Secretary should have the authority to take the same action.

Furthermore, TREA feels that veterans who are residents of a state but who do not qualify for in-state tuition SOLELY because of their military service should not be punished for their service to our country. The in-state tuition system is predicated on the idea that this preference is accorded to everyone by their home state; veterans who fall into this category are denied in-state preference by EVERY state (the Texas in-state policy only applies to active duty personnel stationed in Texas, and not after the service member transitions to civilian life).

So TREA supports all current legislative efforts to provide in-state tuition to service members and veterans who do not qualify for in-state tuition solely because of their military service. We also thank the state of Virginia for its decision in a recent court case that ratified TREA's position on this issue, and we encourage other states to follow suit.

Survivors' Education Benefits

Finally, spouses of those who have fallen since 9/11/01 should be qualified for the equivalent of the Fry Scholarships that their children now receive. And improve the benefit for all other widows/widowers. Now widow/widowers only qualify for education under Title 35. They receive only \$936 a month no housing allowance and no book stipend.

The average cost to attend a four-year public university has reached \$14,256 per year. In 2003,

the last increase for Chapter 35 benefits, the average cost of a four-year degree was \$10,674. While Chapter 35 benefits have remained the same, the cost of education has increased by 33 percent. It is time to increase the DEA's monthly stipend.

It is also time to henceforth have the DEA program be adjusted proportionally whenever Congress raises the payments for MGIB (Chapter 30) or the Post 9/11 GI Bill (Chapter 33)

UNIFORMED SERVICES EMPLOYMENT and REEMPLOYMENT RIGHTS ACT (USERRA)

The importance of re-employment protections for our nation's "operational reserve" warriors cannot be overstated. Nearly 700,000 National Guard and Reserve troops have been called up to active duty since 9/11, according to the Department of Defense. It is also reported by the National Guard Bureau that 75 percent of Guard members have deployed, and that 25 percent of those have deployed more than twice. With the new operational reserve policy set to take effect, the need for reemployment rights, and strict enforcement of those rights, will be crucial in the years to come.

TREA is grateful for passage in 2008 of USERRA amendments that require faster complaint resolution and more stringent reporting requirements by Federal agencies involved in compliance with the law. But more needs to be done. Many service members and employers don't fully understand their USERRA rights and responsibilities. Service members can unknowingly waive their USERRA rights by signing binding, pre-dispute arbitration contracts upon employment; amending USERRA to bar these binding arbitration agreements on USERRA issues would prevent arbitrators from circumventing Congress' intent when it comes to USERRA protections. America needs to do all she can to protect a warrior's employment upon return from the battlefield. There are many additional steps that can be taken.

We would like to thank Congress last year for passing legislation sponsored by Representative Tim Walz (D-MN) which extended employment and re-employment rights to workers for the Transportation Security Administration. Under prior law it was the only federal employer exempt from USERRA, a wrong that has justly ended.

TREA urges passage of Senator Reid's S. 6, which would strengthen the rights of veterans who files a USERRA complaints. We are particularly impressed with the provision that requires the Attorney General to become involved in a complaint when there is reasonable cause to believe that a state or private employer is engaged in a pattern or practice of USERRA violations. We believe that authorizing the suspension, termination, or debarment of federal contractors for repeated USERRA violations is going to be a particularly effective enforcement mechanism. TREA urges that an outline of USERRA regulations should be given to Guard and Reserve members when they receive their activation orders.

TREA recommends that Congress extends USERRA protections to service members working in domestic response operations, such as hurricane or wildfire missions.

TREA recommends that Congress require that States which accept federal funds for any state programs or activities must waive their sovereign (11th Amendment) immunity in cases of USERRA actions.

TREA recommends that USERRA is amended to provide punitive damages in the worst cases of reemployment discrimination; make the award of attorney fees mandatory rather than discretionary and make a single entity accountable for overseeing USERRA complaint resolution

process, preferably the Department of Veterans Affairs.

TREA also urges that your Committees support improvements in the present Survivors and Dependents Educational Assistance Program (DEA) to reflect the improvements made last year in the MGIB as well as creating a housing and book stipend and connecting the Survivor program with the Active Duty education programs so that improvements in either of the 2 active duty programs are immediately reflected in DEA.

FEMALE VETERANS

Women presently make up 15% of the active duty and 17% of the Reserve Components. They are therefore becoming much more of a presence at the VA. The numbers keep growing. Women already make up over 5% of all American veterans and are expected to reach 10% by 2020.

There are already over 100,000 women veterans from OIF/OEF and Operation New Dawn. 52% of these women veterans are enrolled in VA health care.

The VA is well aware that they need to modify their practices to reflect the needs of their changing beneficiary pool. In 2010 the VA Advisory Committee on Women Veterans issued a report, "Women Veterans-A Proud Tradition of Service," and we urge that more of their recommendations be implemented.

It has also been discovered that women veterans are less likely to self identify as veterans as men are. Therefore it is imperative for the VA to study different methods of outreach for women veterans who deserve and need their services.

TREA urges Congress to focus on the particular medical needs of women veterans and assure that the VA focuses on this growing group's other special needs.

SURVIVORS BENEFITS

A small percentage of the American people are fighting her wars, protecting her shores and preserving her freedoms. And their families and loved ones are bearing the terrible loss and loneliness when one of them dies. Of course America wants to protect and help those that are left behind. It is our duty. As President Lincoln said in his Second Inaugural address it is America's duty to "care for his widow and orphan" This same quote can be found on the front of the Department of Veterans Affairs National Headquarters. TREA is grateful for all the time and effort both Congress and the VA has spent trying to make this pledge a reality.

Although the following suggestion is under the Armed Services Committees' jurisdiction it greatly involves the VA.

SBP/DIC Offset- TREA strongly urges Congress to end the unfair SBP/DIC offset and to make DIC equivalent to other federal survivor programs. H.R. 32, the Military Surviving Spouses Equity Act sponsored by Representative Joe Wilson. It would finally end the unfair dollar for dollar offset of military SBP and VA's DIC. Currently the flat DIC payment is \$1,215 a month- so survivors of all but the most senior enlisted retirees never receive a dime of the SBP that was purchased either with their retired pay or their lives on active duty. In 2009 a Special Survivor Indemnity Allowance was passed to partially deal with this obviously unfair practice. Starting at \$50 a month in 2009 and increasing in steps until reaching \$310 per month in 2017 this inequity is being partially offset. And then the allowance disappears. This does not solve the problem There are two groups of widows (and widowers) who are harmed by this offset. The first group is made up of those whose spouses died on active duty and the second group is made up of those whose spouses died of service-connected disabilities or injuries. Both groups should be relieved of this burden.

The offset takes a dollar from the SBP payment for every dollar the widow receives from DIC. Each payment covers a different purpose and should be treated separately. The DIC is an indemnity (compensation or insurance) payment that is paid by the Department of Veterans Affairs (VA) to the survivor of a member of the military whose service directly causes his or her death. The SPB annuity, paid by the Department of Defense 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, only then would their survivor become eligible for DIC.

SBP was created as a purchased annuity- an earned employee benefit. This is a retirement plan. Qualification for SBP for an active duty death was added to stop the grim but extremely well intended practice of medical personnel keeping a lost comrade "technically alive" until he or she could be retired.

There is no offset if a federal civilian retiree dies of a service connected disability. The survivors will receive the civilian SBP and the VA's DIC without offset.) As stated above it takes into account longevity of service. The vast majority of families affected by this offset served a full career in the military. We all now accept the maxim that you recruit a member but you retain a family. This is part of the retirement package. Even the name of the Dependency Indemnity Compensation's (DIC) name makes clear that it was created for a very different reason. It is an indemnity program to compensate a family for the loss of a loved one due to his or her military service. Again, they are different programs created to fill different purposes and needs.

The survivor does receive a taxable pro-rated share of the paid SBP premiums back without interest in a lump sum. But that cannot make up for the cost and difficulty paying those premiums all those years of retirement caused. If a disabled veteran earns a civilian pension as a federal civil servant the family will never lose either their survivor payment or their DIC to any offset. The service member did what he could to provide for his spouse. This is behavior the Federal Government wishes to encourage. This offset makes his attempts a failure. The offset should be abolished.

Year after year we (and many other VSOs and MSOs have asked that this unfair offset be abolished. Hopefully, this may finally be the year

In addition to the Chapter 35 improvements that we discussed in the section on Veterans Education Benefits there are several concepts under your Committees that we hope you will consider.

DIC Equality- Dependency and Indemnity Compensation (DIC) set a flat monthly rate regardless of rank if the service connected death occurred after January 1st 1993. It is presently \$1215.

TREA believes that the rate of compensation should be set at 55% of the compensation paid to a 100% VA service disabled rated veterans. This would put the DIC recipient benefit would be calculated in the same manner as survivors of disabled federal civil service employees. In 2009 a GAO report " Military and Veterans' Benefits" (GAO 10-62) found "DIC payments are almost always less than workers' compensation payments for survivors of federal employees who die as a result of job-related injuries" This would be a fair and rational way to set the DIC level.

DIC Retention at age 55- Finally, we hope that survivors will be permitted retain DIC if they remarry at or after the age of 55. Presently a survivor may retain DIC upon remarriage if he or she is, at least, 57. Most federal survivor programs allow retention of survivors benefits after remarriage if the survivor is at least 55 years old. Indeed, the age to retain CHAMPVA upon remarriage is the normal federal program age of 55. The difference is because the two benefits

were reinstated in different years and during different Congressional negotiations. There are no policy reasons for this awkward and unequal distinction and we hope that this year it can finally be corrected.

Creation of CHAMPVA Dental- TREA urges the creation of a CHAMPVA Dental plan (similar to the present TRICARE Retiree Dental Plan) for Survivors who qualify for CHAMPVA. This is a cost free suggestion since, like the TRICARE Retiree Dental Program, it would be fully funded by the enrollees' premiums with no federal funding.

TREA urges Congress to finally completely end the SBP/DIC dollar for dollar offset.

TREA urges Congress to increase the basic DIC payment to reflect the normal ratio of 55% among indemnity programs throughout the federal government.

TREA urges Congress to increase the basic DIC payment to reflect the normal ratio among indemnity programs throughout the federal government.

TREA urges that surviving spouses be allowed to retain their DIC if they remarry after reaching the age of 55.

TREA urges the creation of a CHAMPVA Dental program.

CHAMPVA UP TO AGE 26

We are very grateful that Ranking Member Representative Michaud has taken up the cause of allowing young adults to continue to continue on their CHAMPVA health care plan until they reach the age of 26. H.R. 288 would entitle Survivors who qualify for CHAMPVA to keep their children up to the age of 26 on their health care insurance under the conditions that applies to every other insurance health care plan in the country. We are hopefully that finally these fine young men and women will also be covered.

TREA urges you to join your colleagues to pass this sensible bill.

THE NON-VETERAN MILITARY RETIREE

TREA likes to say that all Military Retirees are Veterans but all Veterans are not retirees.

However, that is not totally correct. While it is true for the vast sum of Military retirees, one group is left out. Guard and Reserve retirees who have served honorably for 20 or more years but have not been called to active duty for the minimum number of days (normally at least 180 consecutive days of federal active duty) do not qualify as veterans under the current law. (Active Duty for training does not qualify a member for Veterans Status). This is true even though they were always required to be prepared to be activated during their 20 years or more of service. Indeed, they may have served a great deal of time on other than Title 10 orders; including Title 32 orders (there are numerous types of orders they could be put on) but they are not designated veterans. With the dramatic changes in how our nation is using the Guard and Reserve the percentage of retirees in this situation is dropping and will continue to drop. Still, this is an anomaly that needs to be corrected. These Military Retirees should be allowed the honor of the designation of "veterans of the Armed Forces of the United States. "

H.R. 679, a bi-partisan, no-cost bill introduced by Representative Walz and original co-sponsors Runyan, Hunter, Latham, Denham, Matheson and Rahall, would make this happen. This bill was passed by the House of Representatives in each of the past two years.

The individuals covered by this legislation are, in fact, Military retirees and are eligible to receive active duty retiree benefits when they reach 60 years of age including military retirement pay and TRICARE health care. They have unlimited use of military Commissaries and Exchanges during and after their service. In short, they are recognized and compensated by the

federal government as military retirees. In addition, these dedicated members of the National Guard and Reserve already qualify for many Veterans benefits including VA home loans, VA burial and memorial benefits and eligibility for SGLI and VGLI.

The members who fit into this situation by definition would not qualify for a VA disability rating and thus do not qualify for a disability payment or VA health care. They have civilian health care insurance and once they turned 60 they qualify for TRICARE.

We want to emphasize that this is not an attempt to gain additional benefits for this group of military retirees. In fact, the legislation specifically states that no new benefits will be granted to these individuals by virtue of either of these bills. As a result, the Congressional Budget Office has scored these bills as having no cost.

Until 9-11-01, in many ways members of the Guard and Reserve tended to be treated as stepchildren of the military. Now the nation has realized that its military cannot function without the Operational Guard and Reserve. Thus, the simple step of recognizing the service of those who spend twenty years or more as meriting the distinction of being called a veteran is a major issue for them, one of pride and one of having their sacrifices recognized. After all, we now have a Total Force that includes the Guard and Reserve Components. They wear the same uniforms and earn the same medals and awards. Why are they not worthy of the honor of being called "veteran?"

We want to emphasize again, these non-retiree veterans want this change for the recognition and honor-not any increase in benefits. They wish to be termed "veterans of the Armed Forces of the United States". They volunteered to serve, served honorably, and were prepared to serve on active duty if called. TREA firmly believes that a career of military service in the reserve forces of our nation should constitute qualification for veteran status under the law.

TREA urges passage of HR679 by Congress to modify Title 38 to define as veterans the members of the Guard and Reserve who have served 20 or more years but who have not been activated for a qualifying length of time.

CONCLUSION

TREA wishes to thank the Senate and House Committees on Veteran Affairs for the honor of testifying before you. We are grateful for the opportunity to speak of our concerns and legislative goals. We are also grateful for the opportunity of working with you and your terrific staffs throughout the year.

The VA is a crucial institution for helping to preserve our Nation's freedoms by serving those who protect all from danger. TREA knows that it is a heavy burden for the members of both Committees to take on the oversight duties for such a huge, far flung, and critical Government Department. We know that you will do all in your power to assure that once again adequate and timely funding is provided for health care, that improvements are made in case adjudication, that we will all join together to help our returning veterans and indeed all veterans find jobs and businesses that will both provide them with both an adequate income and an occupation that will fill their lives with purpose; and finally that the Veterans and their families and survivors who have given so much to preserve this Union are provided the help they need and deserve. Again thank you for your attention and I would be happy to try and answer any of your questions.