

Arthur Cooper, SFC USA (Ret), National President, THE RETIRED ENLISTED ASSOCIATION

TESTIMONY OF
Arthur Cooper, SFC USA (Ret)
National President
Of
THE RETIRED ENLISTED ASSOCIATION
Before a
JOINT HEARING
Of the
HOUSE and SENATE VETERANS AFFAIRS COMMITTEES
On
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Chairmen Murray and Miller, Ranking Members Burr and Filner and distinguished members of both Committees: It is an honor for me to speak before this Joint Committee hearing about TREA's FY2013 Legislative goals and the concerns and needs of America's veterans, their families and survivors.

This is a proud time for TREA. Next year, The Retired Enlisted Association (TREA) will celebrate its 50th birthday. And this year we have the honor of being the official host of our Nation's Veterans Day celebration. We are a VSO, founded in 1963 to help and represent the needs and points of view of enlisted men and women who dedicated their lives and careers to serving our country. Our members have always served in all the branches of the Armed Services. They serve in the active duty, National Guard and Reserves. It is a joy to report starting this year our membership veterans of the enlisted ranks as well as retirees.

Today our military are fighting an 11th year of war in Afghanistan. (the longest war in U.S. history) The world is looking no safer or calmer and whenever an emergency breaks out the world looks to the United States military for help or protection. In Afghanistan as well as in hot spots throughout the world, on ships, and in planes the men and women of America's military are risking life, limb and sometimes their psychological health to preserve our Nation's liberties, independence and security. 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.

Your Committees have never forgotten this Nation's sacred duty to her veterans, and their families and survivors and we are very grateful. We must note that in the last several years you

1

have guided dramatic increases in the VA's budget through Congress, instituted advanced funding for VA healthcare and created and then improved the Post 9/11 GI Bill. We thank you again for these improvements And we urge you to take additional steps to make sure that the

changes you have worked for these past years are incorporated into the everyday functioning of the VA and that new improvements are made to existing programs.

Of course we are all aware of the tremendous deficit the federal government is now facing. But we are still a Nation at war and even when the war has ended we will have consequences and costs of those wars that America is honor bound to cover. TREA hopes that many critical needs can be dealt with before the end of this session of Congress.

HEALTH CARE FUNDING

TREA must start by saying how pleased we are with the Administration's budget proposals for funding the Department of Veterans Affairs in FY2013 (We feel very differently, as you may well imagine, concerning the proposed budget for the Department of Defense.) We were grateful for both the proposed 4.5% increase in funding and the advance appropriations for FY2014. We realize how hard the VA must have worked within the Administration to set the request at \$140.3 billion (\$64 billion in discretionary funding including health care ((\$2.7 billion more than last year)) and \$76.3 billion in mandatory spending. We are also pleased to note that the FY2014 advance funding request for VA medical care is \$54.5 billion-a 3.3% increase over the FY2013 request. It is obvious that the advance appropriation procedure has been of crucial importance to VA patients. Its existence guaranteed a smoothly running operation during the long appropriation fight last year.

But even with all of this good news (especially when comparing it to the proposed funding for the rest of the federal) we still worry. We indeed hope the request is enough.

The costs of wars go on for decades:

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. We should also note that presently 8.8 veterans are enrolled in VA healthcare and more are on the way.

These are staggering numbers and the strain on the VA will be enormous- which is why we say that we hope the proposed budgetary increase will be enough.

We also strongly support Chairman Miller's HR3895 and Senator Tester's S2128. This legislation clarifies that VA Health care funding will not be subject to any sequestration under the Balanced Budget Act if it comes to that in January 2013. This is clearly what Congress meant the statute to mean and any doubt that VA healthcare funding is exempt puts continuity of care for numerous patients in doubt. We hope that this is a legislative goal that can be quickly reached. TREA urges you to remain vigilant in maintaining this level of funding.

TREA strongly urges the swift passage of HR 3895 and S 2128

VA CLAIMS BACKLOG AND ADJUDICATION IMPROVEMENT

TREA firmly believes that the continuing difficulties of the VA's adjudication system are still the single most important problem within the Department of Veterans Affairs today. And this is true even though it has been a focus of your Committees, the VA and many VSOs and MSOs for the past several years.

The backlog is still growing- In 2011 the VA issued 1,000,000 decisions and still the backlog grew. In 2012 the Department predicts that 1,200,000 new claims will be filed! And the VA estimates that there will be 1,250,000 claims filed in 2013!! There are not merely more claims being filed; the claims are growing more complicated. Presently the average claim filing from an Iraq and/or Afghanistan veteran has 8.5 distinct disabilities. This obviously makes adjudication more difficult and presently more time consuming. Even with Secretary Shinseki's sincere pledge "to break the back of the backlog" it is still growing not shrinking.

Last year while the VBA decided approximately 1,000,000 claims 1,300,000 new claims were filed- a staggering number. Over 850,000 initial claims are still pending and according to Chairman Miller over half a million veterans wait at least half a year to discover if their claim has even been processed.

TREA is hopeful that now that we may be reaching a tipping point. We know that part of reason for the increased filings last year was due to the wise decision to grant 3 new presumptive diseases caused by exposure to Agent Orange and that bulge is coming to an end. We also suspect that these very bad economic times we have been going through also triggered an increase in filing of VA claims which may subside.

TREA also joins all of you in urging that DoD's and VA's collaboration to create a Virtual Lifetime Electronic Record be completed as soon as possible. Without a doubt it will be great facilitator of correct adjudications in the future.

We hope that the dramatic increase in adjudicators that the VA has hired has had the time to be properly trained. We hope that both the new paperless IT system that the VA has started to implement and VA's new case management based operating system (Veterans Benefit Management System VBMS) will be successful and that all of this effort will be effective. The decisions need not only be fast; they need to be correct. The VA itself reports that 14% of their decisions are wrong. Many think that number is even higher. But 14% is far too high. 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. TREA knows that all members of your Committees are extremely concerned about this continuing back log and inconsistency of decision making. And we know why.

It is crucial that improvements in speed and error rates are made because the delays that the backlog create terrible situations. TREA has been contacted by Mrs. Nancy Wallace by such a situation. She is a fine lady who along with her late husband Army E-8 retiree Joseph Wallace served this nation for almost 28 years. She has applied for DIC arguing that her husband's cause of death was service connected due to exposure to Agent Orange. The VA Board of

Veterans Appeals reversed the local office initial negative finding and directed the office to hold a hearing. This decision was made in June 2011 and she has heard nothing, NOTHING at all from the VA office. In the meantime she is trying to keep body and soul together and hold on to her home while the delay grinds on. The hundreds of thousands of other pending cases have we are sure, similar desperate stories.

TREA urges Congress to closely watch the implementation of a new and better adjudication system including:

TREA urges that all adjudicators are paid at a sufficient level and trained adequately to reduce the present chronic turnover in these positions.

TREA urges that the VA implement uniform standards and procedures so that the decisions are correct and consistent throughout the country

TREA urges that the VA quickly implement their new "the Veterans Benefit Management System (VBMS) as well as their new paperless IT claims system to support claims adjudication throughout the country system.

VETERANS EMPLOYMENT

For more than a year probably the single most important worry that most new veterans faced when they came home was to find a job. Last February 2011 the unemployment rate for veterans was 15% while the national rate was 9%! The dramatic difference between the 2 numbers had lasted for over a year. Now the unemployment rate in America is 8.3%, but for veterans the rate fluctuates wildly among different groups. As a whole, the veteran unemployment rate for the month of February has recently been reported to be 7% for veterans of all generations, down from 7.5 percent in January. Reports have stated the current rate for veterans of Iraq and Afghanistan is 7.6%, down from 9.1% in January. The rate for female veterans, which had been 17.3 % in January, reportedly fell to 7.4 % in February. TREA applauds the decrease in the numbers last month, but we are wary that the huge drops may be statistical anomalies. We hope these are accurate findings but we doubt it. It is possible, however, that these numbers may also reflect the beginning effects of the "VOW to Hire A Hero Act" that Congress passed at the end of the last session, and the numerous other efforts made across the country. We hope that future months continue to see a drop in the unemployment rate for veterans of all eras.

Measuring the veteran unemployment rate by veterans of all eras can be highly misleading. That unemployment rate masks the significantly higher rate for young veterans aged 18 to 24, who registered a 20.2 % unemployment rate in January 2012 and averaged a 30% unemployment rate for all of 2011, significantly higher than their overall age cohort. This rate supposedly fell into the single digits in February, but again time will tell if this was just a statistical anomaly. The fact remains, however, that many of these younger vets lack college degrees or other certifications and find it more difficult to qualify for available jobs. TREA applauds the many

legislative and executive branch efforts to help address this problem, and recognizes that it will take a multi-agency, federal, state and local government effort to fix it.

TREA would like to thank Congress for passing the VOW To Hire A Hero Act, which 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. But there remains more work to be done when it comes to veteran employment:

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 would go a long way towards reducing the still-unacceptably high veteran unemployment rate.

This is the first generation of corporate leaders in America who are largely unfamiliar with the military since before World War II. They are ignorant of the skills and professionalism veterans can bring to the workplace. Some in corporate America believe that our fighting men and women are unable to produce efficiently in a civilian workforce. This makes no sense because the basic tenets of American corporate behavior, specifically the standardization of it, were a byproduct of the high rate of military service of the “Greatest Generation” during World War II.

TREA supports military/corporate outreach efforts that will help bridge this divide.

Below are just a few of the bills that TREA is keeping an eye on. It seems that every week a new and interesting bill is proposed that could help veterans in this critical area and time. TREA is very grateful for the focus and creativity members of Congress has expended on this crucial problem.

HR 3524, sponsored by Representative Bruce Braley of Iowa would prevent employers from discriminating against disabled veterans who miss work because they are receiving medical treatment for service-connected disabilities. They could receive up to 12 weeks of unpaid leave a year without fear of losing their job, under the bill pending before the House Veterans’ Affairs Committee’s economic opportunity panel.

TREA supports the intent of this law, but hopes that the final language is such that it takes into consideration the concerns of employers that could use this benefit as an excuse to not hire a disabled veteran, when a non-veteran applicant would not be eligible for this type of leave. One way to alleviate this concern would be to make adjustments in the hours and availability of medical appointments

HR 3483, sponsored by Representative G.K. Butterfield of North Carolina, would extend the \$17,500 reimbursement cap available for non-resident student-veterans that attend private schools to non-resident public school student-veterans. The Post-9/11 GI Bill fix last year established the \$17,500 cap for private school attendees, but many out of state public school attendees have been hurt by their exclusion; this bill would seek to grandfather in existing non-resident public school attendees. TREA supports this bill.

HR 4072, sponsored by Representative Jeff Miller of Florida, would transfer a number of functions performed under programs relating to veterans employment and all personnel, assets, and liabilities pertaining to such programs from the DOL to VA. This would include job counseling, job training, and placement services for Veterans under chapter 41, employment and training of veterans under chapter 42, administration of employment and employment rights of members of the uniformed services under chapter 43 and homeless veteran reintegration programs under chapter 20.

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.

TREA urges Congress to continue to focus on this crucial issue

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.

Representative Tim Walz's of Minnesota, HR3670 would extend employment and re-employment rights to workers for the Transportation Security Administration. TSA notes on its website that it follows "many of the provisions" of the Uniformed Services Employment and Re-employment Rights Act, but under current law it is the only federal employer exempt from USERRA.

TREA strongly supports this legislation to force the TSA to be subject to the same laws governing Guard and Reserve reemployment rights that the rest of the federal government must follow. While we understand that TSA is currently exempt because of exigencies created by 9/11 and the need to quickly stand up the Department of Homeland Security, we believe that the crisis has passed and now equity must reign in the federal government when it comes to these servicemember reemployment rights.

TREA urges the passage of HR 3670.

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 servicemembers 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.

VA HEALTH CARE

The continuing increases in funding for VA healthcare shows that the Administration and both Houses of Congress acknowledges the crucial and enormous job it is And what a good job the VA is doing in many areas of treatment

Last year the VA provided health care to over 5.5 million veterans of the 7.7 million veterans enrolled at the VA. It does that by running 153 medical centers and 730+ outpatient clinics. This system structure is providing both amazing growth and increasing convenience for those who served and protected our country. 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. We urge you to upgrade and increase the polytrauma centers and specialty care institutions that are providing this world class care. Additionally, the VA provides superb medical training for most of the medical doctors in this country.

TREA firmly believes that the VA must continue to focus on the health care that is being provided for all those veterans coming home from Iraq and Afghanistan, and that sufficient planning, coordination and money must be provided to guarantee the best care in the world for our veterans from both the VA and DOD. Once again we must focus this year on the need to have a seamless transition from DOD to the VA (please see below). This coordination is clearly crucial in order to provide for our heroes' needs as well as for VA's future fiscal planning. TREA hopes and expects that Congress will carefully oversee the future funding levels (and necessary increases) and coordination of care among these many crucial programs.

It is clear that we will continue to see a substantial increase in the necessity of mental health services (both outpatient and in- patient) for Veterans returning from the War. We also think it is wise to provide counseling services for families of returning veterans. There will also be a growing need to enlarge the programs that the VA has wisely created to provide counseling for the Veterans' families. The VA will need to become even more expert at treating both Traumatic Brain Injuries (TBI) and Post Traumatic Stress (PTS). Chairwoman Murray of Washington has

made providing adequate mental health treatment and counseling for all who have served or are serving her goal and priority and TREA is very grateful.

And 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 are experiencing 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 one step forward. But more must be done. 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. We hope that next year will be the time when this may finally happen.

TREA urges Congress to grant the additional funding needed to increase the number of polytrauma and specialty care institutions.

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.

WOUNDED WARRIORS/DOD-VA COLLABORATION/SEAMLESS TRANSITION

When TREA heard that the pending e-health contract for the VA and the Department of Defense was cancelled our hearts sank. We have been assured that it is only a minor setback and we surely hope that is true. But even if it is; it is another unfortunate setback for our goal of creating a seamless transition of a service member between DOD and the VA.

TREA is grateful to Congress for the passage of all the "wounded warrior" pieces of legislation. But the failure to create a permanently established DoD/ VA Interagency Program (similar to SOC) has made successful implementation of the many programs difficult to coordinate. Among the numerous Commissions' recommendations and reports concerning seamless transition that have been issued in the last several years again TREA believes a crucial recommendation is to insure that the Department of Veterans' Affairs has the sole authority to rank service connected disabilities for military disability retirements and separations. This would not take away any authority from the Department of Defense for determining who is fit for duty. What it would do is finally create a consistent disability rating for disabled veterans from all the Branches of Service. It would assure that all disabled veterans would be treated fairly and consistently. And it would be seen to be fair and consistent. We also urge that there be an automatic enrollment into the VA's health care system when a service member is being medically separated or retired.

TREA hopes that this is the year that we finally have a single separation physical between DoD and the VA and that finally we finish the development of a "bi-directional" (information can be added in either direction) electronic medical record throughout DoD and the VA. Both Departments must create an electronic health care record that all TRICARE and VA health care patients can carry with them wherever they are throughout the world for their entire lives (and

not place paper medical files on the stretchers with injured service members being evacuated out of war zones as is still going on today.). Your Committees' interest and supervision has been crucial to getting as far as we have. With your continued interest and expertise we can move forward.

TREA strongly suggests that the VA Committees and the Armed Services Committees coordinate oversight together so that forward movement can happen. TREA (along with many other VSOs and MSOs) believe that joint hearings on the creation of a single medical record (one that could speak and add information from one to the other), the creation of one

11

Integrated disability evaluation system and the creation of a single separation physical is the only way that it will finally get done.

CENTERS OF EXCELLENCE

As we mentioned last year TREA is a great proponent and supporter of the concept of DoD/VA Centers of Excellence. We have been disappointed and critical about how long it has taken to stand up and start functioning. We are therefore very happy to note that the Vision Center of Excellence (VCE) last month finally opened its headquarters at the new Walter Reed. Now the goal of coordinating the services of VA Health Administration, TRICARE, Military Health System and the work of the other Centers of Excellence can improve the care and research of vision trauma. Their formal mission statement is to:

“To continuously improve the health and quality of life for members of the Armed Forces and Veterans through advocacy and leadership in the development of initiatives focused on the prevention, diagnosis, mitigation, treatment and rehabilitation of disorders of the visual system.”

But all of this is expected to be done by an extremely small staff> It has taken from January 2008 when it first created by Congress to find it a permanent home. And now with a very small staff not only are they to coordinate the care of the VA and DoD they are expected to also coordinate research and care with other federal health care departments, colleges and universities and other civilian health providers and researched to reach their goals.

Additionally the VCE is tasked with creating a military vision registry to get a real basis of knowing how prevalent these injuries are and best practices for treating them. When created the registry is being designed to:” track eye injuries and vision impairment as well as to promote and facilitate improvements in research, treatment, rehabilitation and development of clinical best practices for trauma and diseases. Medical providers across both the VA and DoD will have the ability to add and share information pertaining to treatments, surgical procedures and visual outcomes for military service members and veterans who received treatment throughout the entire spectrum of care.”

Meanwhile the Hearing Center of Excellence (HCE) has recently rolled out its new website Like vision hearing loss is often accompanied by blasts and traumatic brain injury. The Center says that their best information is that over 750,000 service members have reporting either ringing in their ears or hearing loss after returning from tours in Iraq and Afghanistan. The VA has reported

in 2010 there were 92,260 tinnitus claims and 65,583 hearing loss claims. Using Considering only major disability for hearing loss, calculated compensations for the disabled would be \$1.063 billion for hearing loss and \$336.66 million for tinnitus, totaling \$1.4 billion for major auditory disabilities in FY2010.

If the Centers successfully foster and coordinate new and better cures and treatments for both types of injuries (along with the Limb Extremity Center of Excellence) not only would the quality of life of our service members and veterans be greatly enhanced and veterans greatly improve but it would also be a huge savings of federal costs.

These are very worthy efforts that TREA fully supports. But Congress will need to both support to make sure the care for this very common combat injury is improved

TREA urges your Committees to supervise the functioning and proper funding of the Vision and Hearing Centers of Excellence.

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 their recommendations be implemented. We also urge yet again that the provisions covering women veterans' health care in the delayed implemented P.L. 111-163," Caregivers and Veterans Omnibus Health Services Act of 2010" be implemented as soon as possible. Your Committees have already exercised strong oversight over this law's implementation. TREA is sure that you will not relax until the implementation is complete.

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.

IMPROVEMENTS IN EDUCATION BENEFITS

It is still wonderful to see the improvements that have been made in the educational benefits for veterans in the last several years. TREA firmly believes that the new Post 9/11 GI Bill is a creation that all of you can be deeply proud. But in any large program there will be problems and areas of improvement. A few are:

TREA urges that the VA works with the Department of Education to create an online site called a "dashboard" where users of the GI Bill can see what program costs, compare prices , understand credit transfer policies etc.

Allow the VA to trademark GI Bill to protect against fraud

Create a central location for GI Bill complaints within the VA

And most importantly:

Allow spouses of those who have fallen since 9/11/01 to be qualified for the equivalent of the Fry

Scholarships that their children now receive. (\$1952) 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. In today's world it make going to a

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.

TREA urges that a website be created that would explain the GI benefit for all those who are thinking of using their benefit.

TREA urges the VA to trademark the phrase "GI Bill" and to create a central location for ALL GI bill complaints.

TREA urges the Committee to help pass S1952

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.

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 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.

SBP/DIC Offset- Again TREA is strongly urging Congress to end the unfair SBP/DIC offset and to make DIC equivalent to other federal survivor programs. HR178, the Military Surviving Spouses Equity Act sponsored by Representative Joe Wilson and Senator Bill Nelson's S. 260 would finally end the unfair dollar for dollar offset of military SBP and VA's DIC. Currently DIC payments are \$1,195 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. Again, S260 and HR178 would completely end this unfair offset. Last year the Senate included S260 in the NDAA and the House had a different provision but still an improvement on the present situation. But after the conferees met it was gone again.

We hope that this is the year when we correct this problem. Even though this is really an Armed Services Committee problem TREA hopes that the members of both VA Committees will support these bills.

DIC Equality- Dependency and Indemnity Compensation (DIC) is set a flat monthly rate regardless of rank. Again, it is presently \$1195. 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 on an equal footing with 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 they are 57 or older. Most federal survivor programs allow retention after remarriage of a survivor benefit 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 one request that will cost nothing since, like the TRICARE 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 again strongly urge Congress to pass Ranking Member Bob Filner’s HR115 which 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 apply. This provision is in every other government and private health care plan and should be in CHAMPVA as well.

TREA urges you to join your colleagues in passing this wise 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 up 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 although 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 we are 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. “

HR1025, a bi-partisan bill introduced by Representatives Tim Walz, Tom Latham, and Jon Runyan and passed by the House of Representatives last year; and S491 sponsored by Senator Mark Pryor, would make this happen.

These individuals are, in fact, Military retirees and are eligible to receive active duty retiree benefits when they reach 60 years of age. They are qualified to receive military retirement pay after reaching 60 years of age. They qualify for TRICARE after reaching 60. They have unlimited use of the Commissaries and Exchanges during and after their service. (They have full use of the Commissaries/Exchanges when they are what we all call Grey Area Retirees before they turn 60 years old.) They are total Military Retirees. Additionally, these dedicated members of the National Guard and Reserve already qualify for some Veterans benefits. These include: (1) eligibility to participate in the VA home loan program if one serves for at least six years of honorable service; (2) VA burial and memorial benefits if the retiree is entitled to retired pay at the time of his or her death; and (3) eligibility for SGLI and VGLI.

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

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 S491 by the Senate and thus join the House in modifying Title 38 to

define as veterans 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 once again. 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.