



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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HUMAN RESOURCES
DIVISION

B-206911

MAY 27, 1983

The Honorable G. V. Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives



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Dear Mr. Chairman:

Subject: Death Benefits Restored to Veterans' Widows
Whose Remarriages End (GAO/HRD-83-51)

You asked for information on the restoration of death benefits to veterans' widows after their remarriages terminate. Death benefits are stopped when a veteran's widow remarries. If the remarriage is terminated, the widow is entitled to restoration of benefits.

The Veterans Administration (VA) could not provide information on the total number of widows receiving death benefits based on remarriage termination. VA did, however, provide information on widows whose death benefits were restored in the fourth quarter of fiscal year 1982. Based on this information we estimate that VA paid \$6 million in fiscal year 1982 to about 1,976 widows whose benefits were restored sometime during that year:

--\$1.3 million in death pension benefits to 712 widows and

--\$4.7 million in dependency and indemnity compensation to 1,264 widows.

If these widows had received benefits for a full year, VA would have paid them about \$9.4 million.

Our findings, scope, and methodology are discussed in enclosure I.

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VA reviewed a draft of this report and had no comments.

Copies of this report are being sent to the Director, Office of Management and Budget; the Administrator of Veterans Affairs; the Chairman, Senate Committee on Veterans' Affairs; and other interested parties.

Sincerely yours,


Richard L. Fogel
Director

Enclosure

DEATH BENEFITS RESTORED TO
VETERANS' WIDOWS WHOSE REMARRIAGES END

The Veterans Administration (VA) pays death benefits in the form of monthly cash payments to widows¹ of deceased veterans. Under current law (38 U.S.C. 101(3) and 103(d)) death benefits to veterans' widows are stopped upon remarriage. If such remarriages are terminated, benefits may be restored to the widows. Widows who file claims for restoration of benefits within 1 year of the termination of their remarriages are eligible for benefits retroactive to the date of the end of the remarriages. Widows who file 1 year or more after the end of their remarriages receive benefits effective the date their claims are received.

DEATH BENEFITS FOR VETERANS' WIDOWS

VA operates three programs providing death benefits to widows. Widows of veterans who died of service-connected causes on or after January 1, 1957, are entitled to dependency and indemnity compensation (DIC) benefits. Widows may also be eligible for DIC benefits if a veteran who died from causes that were not service related was rated totally disabled for specified periods. Widows of veterans who died before that date are entitled to death compensation or DIC benefits. Widows of veterans who served during a war period but did not die of service-connected causes are eligible for death pension benefits, subject to specific income limitations.

VA reports that as of September 1981 about 1.1 million widows, including those who never remarried, were receiving death benefits through these programs:

<u>Program</u>	<u>Widows</u>	<u>Estimated annual benefits</u>
DIC and Death Compensation	246,800	\$1.3 billion
Death Pension	860,300	1.2 billion

¹The term "widows" includes widowers.

LEGISLATIVE INTENT OF BENEFIT RESTORATION

The current treatment of veterans' widows benefits in the event of remarriage termination by death or divorce became effective on January 1, 1971, under the provisions of Public Law 91-376. Before that date a widow's remarriage was a permanent bar to veterans' benefits unless it was void or had been annulled. This was seen as harsh and notably more restrictive than provisions of the Social Security Survivors' Insurance and Civil Service Retirement programs, which allowed (and still allow) restoration of benefits upon remarriage termination.

In addition, the Congress and VA expressed concern about the possible economic hardship faced by veterans' widows who experienced short-lived remarriages. It was believed that in such instances widows may have spent most of their lives as housewives and mothers, foregoing outside employment and retirement or old age benefits in their own right. Also, it was believed that such widows might emerge in a worse economic position than before remarriage having lost the VA benefits.

Accordingly, removal of remarriage as a permanent bar to veterans' death benefits through passage of Public Law 91-376 was seen as alleviating hardship and bringing veterans' death benefits in line with other entitlement programs.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to estimate the number of widows restored benefits annually due to remarriage terminations and the amount of benefit payments related to such restorations.

VA does not maintain records in its computer base specifically identifying claims for restored benefits or the amount of benefits paid on such claims. Accordingly, we arranged for VA's regional offices to provide data on all claims involving awards of restored benefits due to remarriage termination as they completed processing from July 1 to September 30, 1982. Using the data provided by VA for the fourth quarter of fiscal year 1982 and assuming that VA's workload during this 3-month period was not unusual, we estimated the total number of such awards and related benefit payments that VA may have made during the entire fiscal year. VA officials agreed that this approach was reasonable. We also estimated future years' benefit restorations based on the assumption that the death benefit restorations estimated for fiscal year 1982 would continue at the same level.

Our estimates of yearly benefits do not consider future benefit rate increases or terminations of benefits due to another remarriage, income above program limits, or death.

VA could not provide data with which to estimate the total number of widows on the benefit rolls who had benefits restored in previous years; that is, claims for restoration which were processed in prior years and upon which benefits are still being paid.

Our work was performed in accordance with generally accepted government auditing standards.

ESTIMATED ANNUAL BENEFIT RESTORATIONS
TO VETERANS' WIDOWS WHOSE
REMARRIAGES TERMINATED

In the fourth quarter of fiscal year 1982, VA restored DIC and pension benefits to 494 veterans' widows² whose remarriages had terminated. Sixty-nine percent of these claims involved retroactive benefits. The average monthly benefit awarded to the DIC recipients was \$485, and to the pension recipients, \$237.

Claims by Veterans' Widows for Restoration
of Pension and DIC Benefits Based on Remarriage
Termination - Fourth Quarter Fiscal Year 1982

<u>Benefit</u>	<u>Total claims</u>		<u>Claims involving retroactive benefits</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Pension	178	36	97	55
DIC	<u>316</u>	<u>64</u>	<u>242</u>	77
	<u>494</u>	<u>100</u>	<u>339</u>	69

Based on the fourth quarter data, we estimate that VA paid \$6 million in death benefits to about 1,976 veterans' widows whose death benefits were restored in fiscal year 1982. Approximately \$1.1 million of the fiscal year 1982 benefits consisted of retroactive benefits to 1,356 widows.

²Includes one widower who was restored DIC benefits. No death compensation benefits were restored.

The following table shows the estimated claims and dollar amounts for benefit restorations in fiscal year 1982.

Estimated Death Benefits
Restored to Veterans' Widows
Based on Remarriage Termination
Fiscal Year 1982

<u>Benefit</u>	<u>Total number of claims</u>	<u>Number of claims involving retroactive benefits</u>	<u>Retro- active benefits</u>	<u>Non- retroactive benefits</u>	<u>Total benefits</u>
Pension	712	388	\$ 214,304	\$1,089,351	\$1,303,655
DIC	<u>1,264</u>	<u>968</u>	<u>891,916</u>	<u>3,782,285</u>	<u>4,674,201</u>
	<u>1,976</u>	<u>1,356</u>	<u>\$1,106,220</u>	<u>\$4,871,636</u>	<u>\$5,977,856</u>

If all the widows whose benefits were restored during fiscal year 1982 received benefits for the full year, we estimate that VA would have paid them about \$9.4 million--\$2 million in pension and \$7.4 million in DIC benefits. If the level of annual death benefit restorations occurring in fiscal year 1982 continues in future years, VA payments for benefits restored on the basis of remarriage termination will increase annually by about \$9.4 million at 1982 benefit rates.

Additional data on widows'
restored death benefits

The following tables display additional information about widows' death benefit restorations made during the fourth quarter of fiscal year 1982, including (1) months of retroactive benefits, (2) period of veterans' service, (3) age of widows, (4) number of remarriages and reasons they end, (5) length of most recent remarriages, and (6) length of marriages to veterans.

Months of Retroactive Benefits

<u>Months of retroactive benefits</u>	<u>Pension</u>		<u>DIC</u>		<u>Total</u>	
	<u>Number of claims</u>	<u>Percent (note a)</u>	<u>Number of claims</u>	<u>Percent</u>	<u>Number of claims</u>	<u>Percent</u>
Less than 1	45	46	128	53	173	51
1 up to 2	16	17	35	15	51	15
2 up to 3	12	12	19	8	31	9
3 up to 4	7	7	10	4	17	5
4 up to 5	4	4	13	5	17	5
5 thru 12	<u>13</u>	<u>13</u>	<u>37</u>	<u>15</u>	<u>50</u>	<u>15</u>
	<u>97</u>	<u>100</u>	<u>242</u>	<u>100</u>	<u>339</u>	<u>100</u>

Period of Veterans' Service

<u>Period of service</u>	<u>Pension</u>		<u>DIC</u>		<u>Total</u>	
	<u>Number of claims</u>	<u>Percent (note a)</u>	<u>Number of claims</u>	<u>Percent</u>	<u>Number of claims</u>	<u>Percent</u>
World War I	17	10	3	1	20	4
World War II	137	77	168	53	305	62
Korea	17	10	35	11	52	11
Regular Establishment	0	0	31	10	31	6
War with Spain	2	1	0	0	2	0
Vietnam	5	3	74	23	79	16
Philippine- World War II	<u>0</u>	<u>0</u>	<u>5</u>	<u>2</u>	<u>5</u>	<u>1</u>
	<u>178</u>	<u>100</u>	<u>316</u>	<u>100</u>	<u>494</u>	<u>100</u>

a/Columns do not add due to rounding.

Age of Widows

Age in years (note a)	<u>Pension</u>		<u>DIC</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u> (note b)	<u>Number</u>	<u>Percent</u> (note b)	<u>Number</u>	<u>Percent</u> (note b)
25 - 29	0	0	5	2	5	1
30 - 34	6	4	11	4	17	4
35 - 39	5	3	28	9	33	7
40 - 44	6	4	25	8	31	7
45 - 49	15	9	22	7	37	8
50 - 54	37	22	20	7	57	12
55 - 59	54	32	68	22	122	26
60 - 64	23	14	72	24	95	20
65 +	23	14	54	18	77	16
	<u>169</u>	<u>100</u>	<u>305</u>	<u>100</u>	<u>474*</u>	<u>100</u>

*unknown-20

Number of Remarriages

<u>Number of remarriages</u>	<u>Pension</u>		<u>DIC</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u> (note b)	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u> (note b)
1	145	82	262	83	407	82
2	28	16	41	13	69	14
3	3	2	10	3	13	3
4	2	1	2	1	4	1
5	0	0	1	0	1	0
	<u>178</u>	<u>100</u>	<u>316</u>	<u>100</u>	<u>494</u>	<u>100</u>

a/As of October 1, 1982.b/Columns do not add due to rounding.

Reasons Most Recent Remarriages End

Reason most recent remarriages ended	<u>Pension</u>		<u>DIC</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent (note a)</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent (note a)</u>
Divorce	132	74	161	51	293	59
Death	42	24	147	47	189	38
Annulment	3	2	6	2	9	2
Other	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>
	<u>178</u>	<u>100</u>	<u>315</u>	<u>100</u>	<u>493*</u>	<u>100</u>

*unknown-1

Length of Most Recent Remarriages

Length of most recent remarriage (years)	<u>Pension</u>		<u>DIC</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent (note a)</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent (note a)</u>
Less than 1	27	16	20	7	47	10
1 up to 5	65	37	53	17	118	24
5 up to 10	53	31	44	14	97	20
10 up to 15	21	12	56	18	77	16
15 up to 20	5	3	31	10	36	7
20 up to 25	3	2	35	11	38	8
25 up to 30	0	0	24	8	24	5
30 up to 35	0	0	24	8	24	5
35 up to 40	<u>0</u>	<u>0</u>	<u>22</u>	<u>7</u>	<u>22</u>	<u>5</u>
	<u>174</u>	<u>100</u>	<u>309</u>	<u>100</u>	<u>483*</u>	<u>100</u>

*unknown-11

a/Columns do not add due to rounding.

Length of Marriages to Veterans

Length (years)	Pension		DIC		Total	
	Number	Percent (note a)	Number	Percent	Number	Percent
Less than 1	6	3	30	10	36	7
1 up to 5	23	13	131	42	154	31
5 up to 10	19	11	68	22	87	18
10 up to 15	24	14	38	12	62	13
15 up to 20	22	12	22	7	44	9
20 up to 25	28	16	13	4	41	8
25 up to 30	26	15	6	2	32	7
30 up to 35	15	9	4	1	19	4
35 up to 40	7	4	1	0	8	2
40 up to 45	5	3	0	0	5	1
45 up to 50	1	1	1	0	2	0
50 up to 55	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>177</u>	<u>100</u>	<u>314</u>	<u>100</u>	<u>491*</u>	<u>100</u>

*unknown-3

a/Columns do not add due to rounding.