

Notes and Brief Reports

Veterans' Legislation in 91st Congress *

The Ninety-first Congress enacted a number of laws dealing with veterans' income-maintenance programs and related benefits. Benefit rates were increased for all the income-maintenance programs—pensions, compensation, and dependency and indemnity compensation (DIC) for widows, children, and parents. In addition, medical services were expanded, educational allowances were increased and new programs introduced, and life insurance provisions were liberalized.

VETERANS' PENSIONS AND DIC PAYMENTS

On December 24, 1970, President Nixon approved legislation (Public Law 91-588) providing an average increase of 9.5 percent in pensions for non-service-connected disability or death for almost 1.6 million pensioners. Increases for dependent parents receiving service-connected DIC payments were also approved. The new schedule of payments, which went into effect January 1, 1971, is shown in tables 1 and 2.

The new law increased the maximum annual

* Prepared in the Interprogram Studies Branch, Division of Economic and Long-Range Studies.

TABLE 1.—Monthly pension payable to veterans without dependents

Annual income other than pension	Previous law, PL 90-275 (effective Jan. 1, 1969)	New law, PL 91-588 (effective Jan. 1, 1971)
\$300 or less.....	\$110	\$121
More than \$300, but not more than \$400.....	108	119
" " 400 " " " " 500.....	108	117
" " 500 " " " " 600.....	104	115
" " 600 " " " " 700.....	100	112
" " 700 " " " " 800.....	96	108
" " 800 " " " " 900.....	92	104
" " 900 " " " " 1,000.....	88	100
" " 1,000 " " " " 1,100.....	84	96
" " 1,100 " " " " 1,200.....	79	92
" " 1,200 " " " " 1,300.....	75	88
" " 1,300 " " " " 1,400.....	69	84
" " 1,400 " " " " 1,500.....	63	79
" " 1,500 " " " " 1,600.....	57	75
" " 1,600 " " " " 1,700.....	51	69
" " 1,700 " " " " 1,800.....	45	63
" " 1,800 " " " " 1,900.....	37	57
" " 1,900 " " " " 2,000.....	29	51
" " 2,000 " " " " 2,100.....	-----	45
" " 2,100 " " " " 2,200.....	-----	37
" " 2,200 " " " " 2,300.....	-----	29

TABLE 2.—Range of monthly pension amounts payable to veterans and their widows under previous law and new law

Type of pensioner	Previous law, PL 90-275 (effective Jan. 1, 1969)		New law, PL 91-588 (effective Jan. 1, 1971)	
	Minimum	Maximum	Minimum	Maximum
Veterans, no dependent ^{1 2}	\$29	\$110	\$29	\$121
Veteran, 1 dependent ²	34	120	34	132
Veteran, 2 dependents ²	34	125	34	137
Veteran, 3 or more dependents ²	34	130	34	142
Widow, no child ³	17	74	17	81
Widow, 1 child ^{3 4}	41	90	41	99

¹ Pension reduced to \$30 after second full month of hospitalization or domiciliary care by the Veterans Administration.

² Applicable rate supplemented by \$110 (previous law, \$100) a month for veterans who are patients in nursing homes or who require the regular aid and attendance of another person, or by \$44 (previous law, \$40) when permanently housebound because of severe disability.

³ Payment increased by \$65 (previous law, \$50) a month when widow is a patient in a nursing home or requires the regular aid and attendance of another person.

⁴ Plus \$16 for each additional child.

income limitation—which establishes the maximum amount of income other than a pension or DIC payment that a person may receive and still qualify for a pension or DIC payment—for all categories of veterans, whether they were drawing pensions under the old system or under the new. Thus, pensioners who received the 15-percent increase in old-age, survivors, disability, and health insurance (OASDHI) benefits (effective January 1, 1970, under the 1969 amendments to the Social Security Act) will not lose any of their Veterans Administration pensions.

The only benefits not increased were those payable to certain persons who chose not to be covered by the "new" DIC or "new" pension systems. These were: (1) survivors (of service-men or veterans who died before January 1, 1957, from a service-connected cause) who chose to continue receiving death compensation and (2) pensioners who had been on the pension rolls before July 1, 1960, and chose to continue under the "old" system. Persons in these categories, however, can still elect to shift to the new systems and receive the increases.

Veterans and widows who were on the pension rolls before July 1, 1960, and chose to continue receiving the flat-rate monthly pensions under the old system had their annual limitation increased: from \$1,600 to \$1,900 for those without dependents and from \$2,900 to \$3,200 for those with dependents. For those who came onto the pension rolls on or after July 1, 1960, and who are under the new system (which relates the amount of pension inversely to income), the an-

nual income limitations were changed by adding three \$100-steps to the present schedules. Thus, the new maximum income limitation is \$2,300 (previously \$2,000) for a single veteran or widow and \$3,500 (previously \$3,200) for a veteran or widow with dependents. In addition, the income limitation for children, when no pension is paid to a widow, was increased from \$1,800 to \$2,000. Similarly, the DIC income limitation was raised to \$2,300 for one parent and to \$3,500 for two.

Certain types of payments are excluded in determining annual income—for example, 10 percent of OASDHI benefits and other retirement benefits and specified amounts of a spouse's income. The new law adds to the exclusions the following:

- (1) Servicemen's group life insurance payments (payments under other veterans' life insurance policies are already excluded);
- (2) amounts equal to prepayments made on real estate mortgages;
- (3) amounts in a joint bank account acquired by reason of death of the other joint owner;
- (4) payments made by a former employer to retired employees as reimbursements for Medicare premiums; and
- (5) annuities under the retired servicemen's family protection plan.

Other provisions now in the law (1) eliminate certain income-reporting requirements for persons aged 72 and over and for parents receiving DIC, (2) make veterans who served on the Mexican border in the period immediately before World War I eligible for wartime veterans' benefits, and (3) permit the Veterans Administration to continue providing drugs and medicines to a veteran receiving a pension at the aid-and-attendance rates even if his annual income is \$500 above the limits applicable to other veterans.

Public Law 91-96 (approved October 27, 1969) provided other increases in DIC payments for widows of veterans or servicemen whose deaths were service-related. This law revised the method of computation, which had been based on military grade and length of service (\$120 per month plus 12 percent of the basic pay of the deceased servicemen). Over the years this formula had resulted in percentage increases in payments that were not uniform and provided disproportionately low increases for the survivors of enlisted men and junior officers.

The new schedule, effective December 1, 1969, provides for a specified DIC dollar-rate based on the pay grade of the veteran—from \$167 monthly for the widow of a serviceman in enlisted grade E-1 to \$426 for the widow of a serviceman in officer grade O-10 (table 3). The rates no longer increase automatically with rises in military pay.

TABLE 3.—Monthly dependency and indemnity compensation payable to widows of deceased veterans or servicemen

Grade or rank	Maximum DIC rate July 1, 1969	New DIC rate ¹ under PL 91-96 (effective Dec. 1, 1969)
E-1.....	\$140	\$167
E-3.....	150	177
E-5.....	171	193
E-7.....	201	206
E-9.....	221	228
O-1.....	200	211
O-3.....	232	234
O-5.....	272	272
O-7.....	332	332
O-10.....	426	426

¹ Basic rate increased by \$20 a month for each child under age 18. Basic rate increased by \$50 a month when widow is a patient in a nursing home or requires the aid and attendance of another person.

The law also eliminated the previous connection between DIC children's benefits and OASDHI benefits by providing an additional DIC allowance of \$20 a month for each child under age 18. Under the former law, a complicated formula was used that provided for a supplemental DIC payment only if the payment plus any survivor benefit under OASDHI or the railroad retirement system was less than a specified amount.

Also included in the new legislation is an additional monthly benefit of \$50 for a widow receiving DIC or death compensation who is a patient in a nursing home or is in need of regular aid and attendance. This allowance is already being provided for widows entitled to non-service-connected pensions.

Public Law 91-262 (approved May 21, 1970) also affected DIC payments to children. Under this legislation, payments to children where there is no widow were increased by 10 percent (effective July 1, 1970). Monthly payments for one child rose from \$80 to \$88; for two children, the rate went from \$115 to \$127; and for three children, from \$149 to \$164. Each additional child now receives \$32; previously the amount had been \$29. DIC payments for other categories, such as disabled children above age 18 and students aged 18 to 23, were also increased by 10 percent.

VETERANS' COMPENSATION

Public Law 91-376 (approved August 12, 1970) provided for an average increase of 11 percent to 2 million veterans for service-connected disability compensation, effective July 1, 1970. The compensation and increases are not based on need but on the veteran's degree of disability. For those who are 100-percent disabled, a flat increase of \$50 a month (from \$400 to \$450) is provided. For those less than totally disabled, smaller increases are provided, ranging from \$24 a month (from \$226 to \$250) for a 90-percent disability to \$2 a month (from \$23 to \$25) for a 10-percent disability (table 4). Proportionate increases are provided for dependents of a veteran whose disability is rated at 50 percent or higher. The additional payments for certain disability conditions, such as multiple amputations, have been increased by 12 percent, bringing the monthly compensation payment to more than \$1,000 in some cases.

TABLE 4.—Monthly disability compensation payable to wartime veterans without dependents¹

Percent of disability	Previous law, PL 90-493 (effective Jan. 1, 1969)	New law, PL 91-376 (effective July 1, 1970)
10.....	\$23	\$25
20.....	43	46
30.....	65	70
40.....	89	98
50.....	122	135
60.....	147	163
70.....	174	193
80.....	201	223
90.....	226	250
100.....	400	450

¹ Peacetime veterans are paid 80 percent of wartime rates. Additional benefits for dependents are provided veterans with a 50-percent disability.

This law also provides that a remarried widow may revert to her earlier eligibility for compensation, pension, and educational benefits when that remarriage is ended by death or divorce. Payments to such widows will be resumed as of the date of the death or divorce (but not earlier than January 1, 1971), if the widow applies to the Veterans Administration within a year.

Another change liberalizes the criteria for determining service connection and eligibility for compensation payments for veterans who were prisoners of war for at least 6 months. The presumption is that a disability suffered from dietary deficiencies, forced labor, or inhumane treatment is service-connected if the disability is related to malnutrition or if the veteran becomes psychotic

within 2 years after separation from military service.

MEDICAL BENEFITS

Public Law 91-101 authorizes an unlimited number of days of community nursing-home care at Veterans Administration expense when hospitalization was primarily for a service-connected disability. The previous law had a 6-month limitation.

Public Law 91-102 made complete medical service available to any war veteran who has a permanent total disability that is service-connected by adding authorization for the outpatient treatment of non-service-connected disabilities.

Public Law 91-178 increased the maximum per diem rate of Federal payment to a State home for hospital care of eligible war veterans from \$3.50 to \$7.50. The per diem rates of \$3.50 for domiciliary care and \$5 for nursing-home care were not affected.

Public Law 91-500 removes the requirement that veterans who are aged 65 or older and veterans under age 65 who receive non-service-connected pension must certify that they are unable to pay necessary expenses to gain admission to a Veterans Administration hospital or domiciliary facility for treatment of a non-service-connected disability. The law also permits the Veterans Administration to furnish drugs and medication to veterans who are receiving the "house-bound" rate of compensation or pension. Existing law permits furnishing of drugs and medication to those in receipt of the aid-and-attendance rate.

EDUCATIONAL BENEFITS

Public Law 91-219 (approved March 26, 1970) increased allowances under the veterans' educational assistance program by an average of 34.6 percent, effective February 1, 1970. For veterans without dependents (and for children, widows, and wives of totally disabled or deceased veterans) who are attending an educational institution full time, the monthly allowances were raised from \$130 to \$175; for veterans with one dependent, from \$155 to \$205; and for veterans with

two dependents, from \$175 to \$230. An additional \$13 (previously \$10) is allowed for each dependent in excess of two. Proportionate increases were provided for those taking courses on a part-time basis.

Allowances for on-the-job, farm cooperative, and flight training were also increased by 34.6 percent. Job trainees now receive \$108 a month (previously \$80) for the first 6 months. Payments are reduced in each succeeding 6-month period.

The subsistence allowances of veterans with service-connected disability who are receiving vocational rehabilitation training were raised 22.7 percent. For a veteran without dependents who is enrolled on a full-time basis, the monthly allowance was increased from \$110 to \$135. Veterans with dependents and who are enrolled part time received proportionate increases.

A major feature of P.L. 91-219 is the provision for new programs of special assistance to educationally disadvantaged veterans. The purposes of the new program are to: (1) encourage and assist veterans who have academic deficiencies to attain a high school education or its equivalent, (2) assist veterans in pursuing postsecondary education through tutorial assistance where required, and (3) encourage institutions to develop programs that provide such assistance.

The law also established a predischarge educational program that pays up to \$175 a month to institutions conducting courses for undereducated servicemen with more than 6 months' active duty. The program is designed to assist servicemen to prepare for future education while still on active duty. A new "outreach" service, also set up under P.L. 91-219, is to seek out recently discharged veterans, inform them of their entitlements, and assist them in gaining employment.

Public Law 91-548 extended to the wives and children of Armed Forces personnel who are

missing in action or prisoners of war the same educational and training assistance to which they would be entitled if the serviceman had died or become totally disabled while on active duty.

OTHER PROVISIONS

Public Law 91-291 (approved June 25, 1970) increased the maximum amount of insurance under the servicemen's group life insurance program from the previous \$10,000 to \$15,000, with cost to the servicemen rising from \$2 to \$3 a month. Active-duty servicemen have the option of not being insured or of being insured for a lesser amount (\$10,000 or \$5,000). The Federal Government pays that portion of the insurance cost related to the extra hazard of active duty.

Public Law 91-241 provides a different formula for recoupment of lump-sum disability severance pay by the Veterans Administration in certain cases. Members of the Armed Forces who become permanently disabled may be granted monthly disability retirement pay if they have 8 or more years of service and if the degree of disability is 30 percent or more. When these requirements are not met, a lump-sum payment (disability severance pay) is made in lieu of monthly disability payments. If the veteran subsequently becomes entitled to Veterans Administration compensation for the same disability, these compensation payments are withheld until they equal the amount of the lump-sum payment. This action may take a number of years. The new law provides that, if during the period of withholding the disability worsens so that the veteran becomes entitled to a higher rate of compensation, he may receive payments in the amount of the increase and thus be assured of some measure of support as the withholding continues, at the original rate, until the entire lump-sum payment is recovered.