



Gold Star Wives of America, Inc
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Statement
Of
Gold Star Wives of America, Inc.
Before the
Joint
Senate and House Committees on
Veterans Affairs
Hearing
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Presented by
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President Emeritus
Gold Star Wives of America, Inc.

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the nation's wounds, to care for him who has borne the battle, his widow and his orphan."

...President Abraham Lincoln, Second Inaugural Address, March 4, 1865

Not for publication
until released by
the Committees

Chairman Johnny Isakson, Chairman Jeff Miller, Ranking Members Corrine Brown and Richard Blumenthal and Members of both the Senate and House Committees on Veterans Affairs, I am pleased to be here today to testify on behalf of Gold Star Wives of America, Inc. (GSW).

My name is Jeanette Early. I am National President Emeritus of GSW. I became a widow when my husband, Sergeant First Class Howard Lee Early, was killed in action in Vietnam in February of 1969. Today I will be speaking about the needs of surviving spouses of military service members who died on active duty and retired service members and veterans who died of a service connected cause.

GSW was founded in 1945 and is a Congressionally Chartered Veterans' Service Organization which has been serving the surviving spouses of military service members and veterans who served during World War II, the Korean War, the Gulf War, the conflicts in both Iraq and Afghanistan and every period in between.

Although many believe that the grief of losing a spouse suddenly departs a year after the death or when a widow or widower remarries, widows and widowers grieve the loss of their spouse for the rest of their lives. GSW's mission is to provide moral support during a surviving spouse's life long journey through grief, assist surviving spouses in obtaining their benefits and make Congress, the public and the military community aware of the many inequities which exist in the programs and benefits for surviving spouses and surviving children.

Congress has done an admirable job of providing benefits for the surviving spouses of military service members who died on active duty after 9-11. However the needs of surviving spouses whose military spouse died on active duty before 9-11 and the surviving spouses of retired military service members and veterans who died from a service connected cause have been overlooked by Congress.

VA Office of Survivor Assistance (OSA)

We are very grateful for the OSA. The personnel in the OSA have been very helpful to our surviving spouses and as well as others who need assistance accessing the VA and benefits.

Increase Dependency and Indemnity Compensation (DIC)

DIC for surviving spouses needs to be increased to an amount equal to 55% of the amount a 100% disabled veteran receives as Department of Veterans Affairs (VA) Disability Compensation. DIC has been increased only by cost of living allowances (COLAs). Other federal survivor programs provide 55% of retirement pay to surviving spouses.

Currently veterans who are rated by the VA as 100% disabled receive VA Disability Compensation of \$2906.23. VA Disability Compensation is based only on the veteran's level of disability.

There are two types of DIC. One is referred to as rank based DIC which was based on the rank, or more appropriately the pay grade, of the deceased military service member/veteran. Rank based DIC is in the process of being phased out.

All surviving spouses whose military spouse died on or after January 1, 1993 receive flat rate DIC. Flat rate DIC is currently **\$1254.19** per month or 43% of what a 100% disabled veteran receives as VA Disability Compensation. If DIC were raised to 55% of the amount of VA Disability Compensation a 100% disabled veteran receives, DIC would increase by \$343.81 per month to \$1598.40 per month. This would give these surviving spouses an annual DIC income of \$19,180.80.

DIC is the primary income and sometimes the only income for many surviving spouses, especially for older women whose jobs were considered "women's work" which paid very low wages. Some worked in the same jobs as men but earned less than 75% of what men in the same jobs received as wages. Unfortunately when these women pay their electric bill or their grocery bill both the electric company and the grocer want 100% of the bill, not 75% or less. These widows often must choose between buying food and paying the utility bills or between paying the rent and fixing their car.

If a widow draws Social Security against her own earnings these low wages result in these women receiving only small amounts of Social Security. Even if a woman draws Social Security based on her husband's wages she receives only a small amount of Social Security since wages were lower in times past.

Repeal of the DIC offset to Survivor Benefit Plan (SBP) Annuities

The DIC offset to SBP needs to be repealed. GSW has been requesting the repeal of this offset since 2003.

In 1972 Congress created SBP as a benefit for military service members. At retirement military service members may purchase SBP to ensure that their surviving spouse has income after their death. Retiring service members may select up to 55% of their retirement pay as SBP. If the military service member selects a benefit of 55 % of retirement pay as SBP the service member pays premiums of 6.5% of his or her retirement pay.

Congress later expanded SBP to include the surviving spouses of military service members who died on active duty and were retirement eligible when they died. After 9-11 Congress again expanded SBP to include the surviving spouses of military service members who died on active duty. Although military service members who died on active duty paid no premiums for the SBP, these military service members did not live long enough to draw the retirement pay the military had set aside on their behalf.

Although Congress gave the post 9-11 surviving spouses of military service members who died on active duty SBP, the SBP of most of this group of widows is totally offset by DIC.

SBP paid to children is not offset by DIC. Congress allowed these surviving spouses to assign their SBP to the children to augment the family income. However when the surviving spouse assigns the SBP to the children she loses SBP for life. Surviving spouses need to be able to reselect the SBP for themselves.

Additionally, the U.S. Court of Appeals in the matter of Sharp, et.al. v. the United States ruled that DIC payments may not be deducted from SBP annuities if a surviving spouse entitled to both benefits remarries at or after the age of 57. It is decidedly strange that a person in precisely the same position but for the fact that she has not remarried after age 57 continues to suffer the offset.

Concurrent Receipt

Congress removed the VA Disability Compensation offset to military retirement pay for retirees/veterans who were rated as catastrophically disabled by the VA (50% disabled or greater). There are about 62,094 surviving spouses who suffer the DIC¹ offset to SBP. Most of our military/veteran spouses were rated by the VA with a catastrophic disability prior to their death. Surviving spouses receive DIC because the VA determined that all of our military service member spouses/veteran spouses died of a service connected cause. **Since death is the ultimate disability as the surviving spouses of those who died on active duty and retired service members/veterans who died of a service connected cause we should be entitled to concurrent receipt of SBP and DIC as well.**

The Veterans Disability Benefits Commission created by Congress to review the benefits provided to the disabled and their survivors recommended the elimination of the DIC offset to SBP—and referred to this issue as “**survivor concurrent receipt**”.

Special Survivor Indemnity Allowance (SSIA)

If the DIC offset to SBP cannot be repealed before the end of FY 2017 the law governing SSIA needs to be amended and the SSIA payments extended into future years.

In 2008 Congress created SSIA for surviving spouses who suffered the DIC offset to SBP as an acknowledgement that the DIC offset to SBP needed to be removed. Surviving spouses subject to the DIC offset to SBP started receiving SSIA in FY 2008 and SSIA is now scheduled to abruptly terminate at the end of FY 2017. SSIA is funded

¹ Military Compensation and Retirement Modernization Commission Report (MCRMC)

with discretionary funds. The funding for SSIA came from a law passed in the 110th Congress which levies taxes on tobacco.

The repeal of the DIC offset to SBP requires mandatory funds; SSIA requires discretionary funds. If mandatory funds are not available to repeal the DIC offset to SBP, we suggest that SSIA be made permanent and used as a method to eliminate the DIC offset to SBP².

TRICARE

Surviving spouses of military service members who died on active duty or died in retirement have health insurance called TRICARE.

There are several versions of TRICARE but the three with which we are concerned:

- TRICARE Prime for which surviving spouses pay a premium. They also pay co-pay for every medical appointment and hospitalization. (Surviving spouses of Post 9-11 military service members who died on active duty receive TRICARE Prime for 3 years after the death of their sponsor (military service member) without charge and must pay premiums and co-pays after the first 3 years.)
- TRICARE Standard which requires a co-pay of about 25% of the charges for outpatient care and co-pays for hospitalization.
- TRICARE for Life is supplemental insurance to Medicare. If Medicare pays on a charge TRICARE for Life pays the co-pays, cost shares and deductibles.

Due to the DIC offset to SBP many surviving spouses receive only DIC income of \$1254 per month and do not have the money to pay the premiums, co-pays, cost shares and deductibles for the different versions of TRICARE.

Prescription Medication

TRICARE recently implemented a program which requires those on Medicare to order all maintenance medications by mail from the TRICARE pharmaceutical contractor Express Scripts.

Senior citizens are probably the group that is most likely to have problems ordering medications by mail. They do not understand their medications, are not sure which medication treats which ailment, do not understand which medications cannot be taken at the same time, etc. They really need the corner pharmacist to guide them.

We have heard numerous complaints about not being able to obtain certain drugs in a timely fashion, problems with obtaining prescribed brand name drugs, receiving the

² Link to the part of Title 10 of the U.S. Code that needs to be amended.
<http://uscode.house.gov/view.xhtml?req=Special+Survivor+Indemnity+Allowance&f=treesort&fq=true&num=0&hl=true&edition=prelim&granuleId=USC-prelim-title10-section1450>

wrong dosage of a drug, packages of drugs left on a doorstep or in a mail box by the road, or left in an odd place where they would never look for them by the mailman, etc. For some patients receiving prescriptions by mail works well; for other patients receiving prescriptions by mail is a real problem.

Surviving spouses may also obtain prescription medications at a military pharmacy, but many surviving spouses do not live anywhere near a military hospital or pharmacy and in some cases a military pharmacy does not have the medications that are prescribed.

Education Benefits

The Dependent Education Assistance, Chapter 35 education benefit needs to be significantly increased. DEA education benefits provide education benefits for surviving spouses except surviving spouses who receive education benefits from the John David Fry Scholarship (Post 9-11 GI bill). The maximum benefit is \$1003 per month for full time study. This benefit is inadequate to cover the current costs of tuition, books and fees which colleges now charge. To obtain a college education some of our members have taken student loans and gone deeply in debt to obtain a college degree.

We are very grateful for Congress' recent approval of the **Gunnery Sergeant John David Fry Scholarships** for the Post 9-11 surviving spouses of those who died on active duty. The Fry Scholarships became available to surviving spouses effective in January 2015 and are available to a surviving spouse for 15 years after the death of his or her military spouse. If a surviving spouse's military spouse died early in the post 9-11 era, the surviving spouse does not have enough time to complete a 4 year college degree. **Please extend the time limit for using the Fry Scholarship benefits from 15 years after the death of the military spouse to 20 years after the death of the military spouse.**

CSRS Retirement Pay Offset to Social Security

One of the benefits the surviving spouse of a military service member who died on active duty or a veteran who died of a service connected cause receives is a 10 point preference in Federal hiring. If a surviving spouse took advantage of this benefit and went to work as a Civil Service Retirement System (CSRS) employee when that surviving spouse retires any Social Security which they might be entitled to receive from their military spouse's Social Security account is reduced by 2/3rds of their CSRS retirement pay. Strangely, these surviving spouses can draw full Social Security benefits against their military or veteran spouse's Social Security account if they continue to work and earn wages, but when they retire and need the income from Social Security their retirement pay offsets that same Social Security benefit. This CSRS retirement pay offset to Social Security benefits should be removed.

VA Call Centers

The VA Call Center employees apparently have little or no access to information about the VA benefits for surviving spouses and surviving children. Information about survivor benefits should be in the data base they use to answer questions and if they are unable to answer the caller's question the caller should be referred to either the VA Office of Survivor Assistance or VA CHAMPVA offices.

The Military Compensation and Retirement Modernization Commission Report (MCRMC)

We are grateful that the MCRMC addressed the DIC offset to SBP and recommended an additional version of unsubsidized SBP for which retired service members would pay higher premiums. Our concern is that even though retired military service members paid the higher premiums for SBP that at some future date this version of SBP would end up being offset.

The MCRMC recommended that TRICARE be replaced with health insurance program similar to the Federal Employees Health Benefit Program (FEHBP). We are concerned that many surviving spouses would not be able to pay the premiums for this health insurance.

Conclusion

In conclusion most of those who suffer from these deficiencies in benefits are the widows of men who were led to believe that their wives and children would be adequately cared for if they died due to their service to this Great Nation. Due to these offsets and the failure to adjust benefits adequately over time the benefits of the surviving spouses of veterans and military service members who died as a result of their service do not correspond with today's financial realities.

Biography



Jeanette Early holds a Bachelor of Science Degree in Music Education from Southern University in Baton Rouge, Louisiana. She became a widow when her husband Sergeant First Class Howard Lee Early was killed in action February 1969 in Vietnam. Her older son was 5 years old and the twins were 4 years old when their father was killed. Mrs. Early has been a member of Gold Star Wives of America, Inc. for many years and served in many positions including service as the GSW National President in 2011-2013.

DISCLOSURE STATEMENT

Neither Mrs. Early nor the Gold Star Wives of America, Inc. have received any Federal grant or contract, relevant to the subject matter of this testimony, during the current or previous two fiscal years.

