

## Benefits Critical Issues

### 4 Reform Survivor Benefits

The Department of Veterans Affairs' (VA) Veterans Benefits Administration (VBA) administers and oversees Dependency and Indemnity Compensation (DIC) and a host of programs for veterans' survivors. Many of these programs have not been evaluated or modernized in decades; thus, The Independent Budget veterans service organizations (IBVSOs) agree that after many years of neglect, survivors' benefits are in immediate need of reform.

Created in 1993, DIC is a benefit paid to surviving spouses of service members who die in the line of duty or veterans who die from service-related injuries or diseases. DIC provides surviving families with the means to maintain some semblance of economic stability after losing their loved ones.

“**Amyotrophic lateral sclerosis (ALS) is an aggressive disease that leaves many veterans incapacitated and reliant on family members and caregivers.**

#### Increase DIC Rates

While DIC helps many survivors of disabled veterans, the value of the current benefit is insufficient to provide meaningful support to survivors of severely disabled veterans. A veteran who is married and rated 100 percent service-connected receives approximately \$3,800 a month in disability compensation, whereas the current DIC benefit is a little over \$1,500 a month. When a veteran receiving compensation passes away, not only does the surviving spouse have to deal with the heartache of losing their loved one, they also have to contend with the loss of nearly \$28,000 of income annually. This loss of income to a survivor's budget can be devastating, especially if the spouse was also the veteran's caregiver and reliant on that compensation as their sole income source.

The rate of DIC payments has only been minimally adjusted since 1993. In contrast, monthly benefits for survivors of federal civil service retirees are calculated as a percentage of the civil service retiree's Federal Employees Retirement (FERS) or Civil Service Retirement System (CSRS) benefits, up to 55 percent. This difference presents an inequity for survivors of our nation's heroes compared to survivors of federal employees.

Additionally, the IBVSOs are greatly concerned by the negative economic impact felt by survivors and their families over the past two years. The inflation rate in 2020 was 1.23 percent compared to 8.25 percent as of October 2022.

#### The IBVSOs Recommend ✓

- ★ **Congress index the rate of compensation for DIC to 55 percent of a 100 percent disabled veteran with spousal compensation on par with what federal employee survivors receive.**

#### Reduce the 10-Year Rule for DIC

If a veteran is 100 percent disabled, to include unemployable, for 10 consecutive years before death, their surviving spouse and minor children are eligible for DIC benefits if the death is not considered service-connected. Conversely, if that veteran dies due to a nonservice-connected condition before they reach 10 consecutive years of being totally disabled, their dependents are not eligible to receive the DIC benefit. This happens even though many surviving spouses put their careers on hold to act as primary caregivers for the veteran, and now with the loss of their loved one, they could potentially be left destitute. The IBVSOs agree that the requirement of 10 years seems arbitrary.

The DIC program would be more equitable for survivors if there were a partial DIC benefit starting five years after a veteran is rated totally disabled and reaching full entitlement at 10 years. This would mean if a veteran is rated as totally disabled for five years and dies, a survivor would be eligible for 50 percent of the

total DIC benefit, increasing until the 10-year threshold and the maximum DIC amount is awarded.

### The IBVSOs Recommend ✓

- ★ Congress replace the current 10-year period for eligibility for DIC with a graduated scale that begins at five years and reaches full entitlement at 10 years

### Waive the 8-Year Requirement for Surviving Spouses to Receive the “DIC Kicker”

Title 38, United States Code, Section 1311(a)(2) allows an additional DIC monthly payment to survivors, in the case of a veteran who at the time of death was in receipt of or was entitled to receive compensation for a service-connected disability that was rated totally disabling for a continuous period of at least eight years immediately preceding death. This monetary installment is referred to as the “DIC kicker.” Amyotrophic lateral sclerosis (ALS) is an aggressive disease that leaves many veterans incapacitated and reliant on family members and caregivers. Veterans diagnosed with ALS have an average lifespan of two to five years and are frequently unable to meet DIC’s eight-year requirement. VA already recognizes ALS as a presumptive service-connected disease and automatically rates any diagnosed veteran at 100 percent once service-connected, due to its progressive nature.

### The IBVSOs Recommend ✓

- ★ Congress extend increased DIC payments to surviving spouses of veterans who die from ALS regardless of how long they were service-connected with ALS prior to death.

### Improve Dependents Educational Assistance

Spouses and surviving spouses eligible for educational benefits under Dependents Educational Assistance only have 10 years to apply for and complete these education programs, beginning either from the date the veteran is rated permanently and totally disabled or the date of the veteran’s death. Due to circumstances, such as the demands of raising children alone or needing to re-enter the workforce to supplement the loss of the decedent’s income, many survivors are unable to apply for or complete their education in a timely manner. Far too often, when a spouse is ready to utilize the benefit, the time period has lapsed, leaving them unable to further their education and improve their living circumstances. ♦

### The IBVSOs Recommend ✓

- ★ Congress remove the 10-year delimiting date for spouses and surviving spouses to utilize their Chapter 35 benefits.

