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APPROVED
DEC 23 1975

THE WHITE HOUSE
WASHINGTON

ACTION

Last Day: January 2, 1976

December 22, 1975

Posted in the Colorado 12/23/75
To Archives 12/24/75

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON 
SUBJECT: Enrolled Bill H.R. 10355 - Veterans and Survivors Pension Interim Adjustment Act of 1975

Attached for your consideration is H.R. 10355, sponsored by Representative Montgomery and 24 others, which would provide an 8% cost-of-living increase for the period January 1, 1976 to September 30, 1976 for veterans or their survivors who are receiving benefits under two VA income maintenance programs -- the veterans' pension program and the DIC program for parents of veterans who died of service-connected disabilities.

A discussion of the provisions of the enrolled bill report is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 10355 at Tab B.







EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 21 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10355 - Veterans and Survivors
Pension Interim Adjustment Act of 1975
Sponsor - Rep. Montgomery (D) Mississippi and
24 others

Last Day for Action

Early action is recommended to permit timely benefit payments for January 1976, as explained below.

Purpose

Provides cost-of-living increases and raises the income limitations in the veterans pension and dependents indemnity and compensation (DIC) programs for the first nine months of calendar year 1976.

Agency Recommendations

Office of Management and Budget

Approval

Veterans Administration

Approval

Discussion

H.R. 10355 would provide an 8% cost-of-living increase for the period January 1, 1976 to September 30, 1976 for veterans or their survivors who are receiving benefits under two VA income maintenance programs--the veterans' pension program and the DIC program for parents of veterans who died of service-connected disabilities. It would also increase by \$300 the maximum income limitation used in determining eligibility under these programs. The benefits under both programs were last increased, by 12%, in January 1975 (P.L. 93-527).



The bill would also make certain minor technical amendments to title 38, United States Code, dealing mainly with gender references.

Cost-of-living increase. The proposed 8% cost-of-living increase compares with the 7% increase in the Consumer Price Index (CPI) currently projected for calendar year 1975. The increase would affect approximately 2.3 million veterans and their dependents and survivors.

In testimony before the Congress on this proposal, the Administration recommended that increases in monthly pension and DIC rates be limited to 5%, in keeping with your proposals for a 5% limit on the amount of increases in Federal pay and other benefit programs.

Income limitation increase. The Administration opposed the \$300 income limitation increase in H.R. 10355. Under current law, veterans who are entitled to both VA pension and social security benefits generally receive reduced pension benefits when social security benefits are raised. Some pensioners are dropped from pension rolls entirely because of incomes which exceed authorized levels. The increase in social security benefits in 1975 would result in lower pension benefits for 1.3 million pensioners on January 1, 1976.

Congress has regularly responded to this situation, as it has in H.R. 10355, by enacting higher pension income limits. The Administration has taken the position that continuation of the practice of raising income limitations each time a benefit rate is increased is inconsistent with the objective of providing monetary aid to individuals with the greatest need.

Temporary increase provision. H.R. 10355 is unusual in that it would apply for only nine months, i.e., from January 1 to September 30, 1976. This provision was added to the bill by the Senate Veterans Committee which has been examining proposals to reform the pension system ever since the Administration made such a proposal in June 1973. The Administration subsequently withdrew the proposal for budgetary restraint reasons.

On December 15, 1975 the Senate considered and unanimously passed S. 2635, a pension reform proposal similar to the Administration proposal. Since the House has not yet considered S. 2635, both Houses agreed to an "interim" cost-of-living increase which, according to the Senate Committee report "would continue in effect for the remainder of the fiscal year and transition quarter while the House and Senate consider pension restructuring and agree upon a new permanent program for fiscal year 1977 and thereafter."

Cost. VA estimates that enactment of H.R. 10355 would cost approximately \$150.1 million between January 1 and September 30, 1976. The 5% increase previously endorsed by the Administration, with no change in income limits, would have cost \$75 million for the same period.

Recommendation

VA recommends approval of H.R. 10355 on the grounds that the proposed 8% increases "appear reasonably commensurate with the anticipated final figure on the cost of living for the year." VA further states, "Considering the circumstances, we do not feel that the rates and income limitations proposed warrant a veto of this measure of assistance for needy veterans, and their needy survivors."

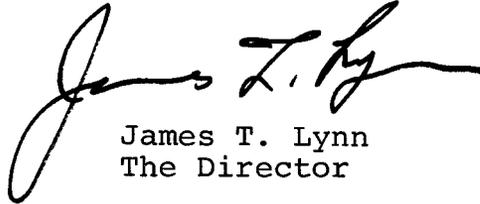
VA also recommends that approval of H.R. 10355 be effected on or before December 22 in order to facilitate timely production and delivery of 2 1/4 million benefit checks for the month of January 1976.

* * * * *

Although the 8% increase is higher than the Administration proposed, increases in other federally-supported income and benefit programs, e.g., social security and VA compensation, have also exceeded 5% this year. The proposed 8% benefit increase is not significantly out of line with the anticipated cost-of-living increase for 1975 and thus does not warrant a veto.



We still oppose the congressional practice of increasing veterans' income limits each time social security benefits are raised. We believe, however, that this problem can be addressed in next year's congressional deliberations on reform of the veterans pension system. The "interim" nature of the 8% increase should serve to encourage both Houses to consider seriously the need for pension reform next year, and could give the Administration an opportunity to work with the Congress toward developing an acceptable pension reform proposal for the long run. Accordingly, we recommend approval of H.R. 10355.



James T. Lynn
The Director





VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

December 18, 1975

The Honorable
James T. Lynn
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

I am pleased to respond to the request from the Assistant Director for Legislative Reference for a report on the enrolled enactment of H.R. 10355, 94th Congress, the proposed "Veterans and Survivors Pension Interim Adjustment Act of 1975," as amended by the Senate and again approved by the House.

The measure would, for the period January 1 through September 30, 1976: (1) increase rates and income limitations relating to non-service-connected disability and death pension for veterans, widows and children under the current program, and increase income limitations under the prior pension system in effect on June 30, 1960; and (2) increase rates and income limitations for parents of deceased veterans under the service-connected dependency and indemnity compensation (DIC) program. The particular rate increases approximate 8% and the annual income limitations would be raised \$300. In addition, the bill provides a number of technical amendments to title 38, United States Code, dealing mainly with gender references.

H.R. 10355, as passed by the House of Representatives on November 4, 1975, would have provided the above-mentioned rate and income limitation increases as of

The Honorable
James T. Lynn

January 1, 1976, but would not have limited the liberalizations to the period ending September 30, 1976. Enclosed for your ready reference is a copy of the report of the House Committee on Veterans' Affairs on H.R. 10355 (H. Rept. No. 94-601) which contains the Veterans Administration report of September 29, 1975, on H.R. 9045, a measure identical to the later H.R. 10355.

On December 15, 1975, the Senate passed S. 2635, which would substantially reform the pension and parents' dependency and indemnity compensation (DIC) programs as of October 1, 1976. In addition, S. 2635 would provide the same rate increases and raises in income limitations for the current pension and parents' DIC programs as are proposed by the pending H.R. 10355; but those liberalizations would not be limited to the mentioned nine-month period. A copy of the Committee's report on that measure (S. Rept. 94-532), is also enclosed.

As amended by the Senate and passed on December 17, H.R. 10355 is cited as the "Veterans and Survivors Pension Interim Adjustment Act of 1975." Attention is invited to page 9 of the enclosed copy of the report of the Senate Committee on Veterans' Affairs regarding the amended H.R. 10355 (S. Rept. No. 94-568). It will be noted that the last sentence of the paragraph ending near the top of said page 9 explains the nine-month limitation on rate increases and rises in income limitations as follows:

"These increases would become effective January 1, 1976, and would continue in effect for the remainder of the fiscal year and transition quarter while the House and the Senate consider pension restructuring and agree upon a new permanent program for fiscal year 1977 and thereafter."

The Honorable
James T. Lynn

It is understood that the contemplated "new permanent program" is intended to be along the lines of Titles I and III of the aforementioned S. 2635, as passed by the Senate on December 15. Enclosed is a copy of our report of December 11, 1975, to the Senate Committee on that measure.

It is estimated that enactment of the version of H.R. 10355 currently under consideration would cost approximately \$150.1 million for the period affected, January 1 through September 30 of 1976.

Since the benefit rates and income limitations in question were last increased, effective January 1, 1975, by Public Law 93-527, the consumer price index has risen 5.9%, through October. A projection of that figure through December indicates a probable increase in excess of 7% in the cost of living for the year 1975.

The needs of the veterans and their survivors have been regularly recognized in the face of changing economic conditions. We believe that Veterans Administration benefits based upon monetary need should continue to be adjusted periodically to preclude serious diminution of the purchasing power of the benefit by inflation. As you know, we have previously recommended that the benefit rates affected by H.R. 10355 should not be increased in excess of 5% for the calendar year 1976. Also, we have opposed increases in the annual income limitations.

There are for consideration at this time, however, several important factors. The beneficiaries involved are definitely deserving of a cost-of-living increase. If H.R. 10355 is not enacted, the purchasing power of existing benefits will probably continue to fall behind, month after

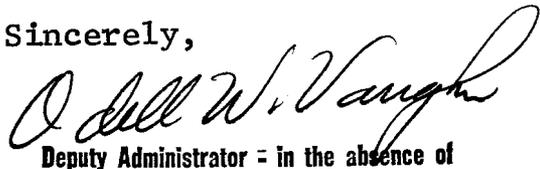
The Honorable
James T. Lynn

month, for an unknown period in the future. Also, the proposed 8% increases appear reasonably commensurate with the anticipated final figure on the cost of living for the year.

Considering the circumstances, we do not feel that the rates and income limitations proposed warrant a veto of this measure of assistance for needy veterans, and their needy survivors. Accordingly, I recommend that the President approve H.R. 10355.

It is further recommended that such approval be effected on or before December 22. This is important because timely production and delivery of 2-1/4 million benefit checks for the month of January 1976 involves the joint efforts of the Veterans Administration, the Treasury Department, and the Postal Service. Failure to meet this deadline will result in 1.3 million beneficiaries temporarily losing some benefits and significant administrative cost to further adjust all benefits in February.

Sincerely,



Deputy Administrator - in the absence of

RICHARD L. ROUDEBUSH
Administrator

Enclosures

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 21 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10355 - Veterans and Survivors
Pension Interim Adjustment Act of 1975
Sponsor - Rep. Montgomery (D) Mississippi and
24 others

Last Day for Action

Early action is recommended to permit timely benefit payments for January 1976, as explained below.

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Provides cost-of-living increases and raises the income limitations in the veterans pension and dependents indemnity and compensation (DIC) programs for the first nine months of calendar year 1976.

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Office of Management and Budget Approval

Veterans Administration Approval

Discussion

H.R. 10355 would provide an 8% cost-of-living increase for the period January 1, 1976 to September 30, 1976 for veterans or their survivors who are receiving benefits under two VA income maintenance programs--the veterans' pension program and the DIC program for parents of veterans who died of service-connected disabilities. It would also increase by \$300 the maximum income limitation used in determining eligibility under these programs. The benefits under both programs were last increased, by 12%, in January 1975 (P.L. 93-527).

To: J. Gannaway
12-22-75
9:30 a.m.



The bill would also make certain minor technical amendments to title 38, United States Code, dealing mainly with gender references.

Cost-of-living increase. The proposed 8% cost-of-living increase compares with the 7% increase in the Consumer Price Index (CPI) currently projected for calendar year 1975. The increase would affect approximately 2.3 million veterans and their dependents and survivors.

In testimony before the Congress on this proposal, the Administration recommended that increases in monthly pension and DIC rates be limited to 5%, in keeping with your proposals for a 5% limit on the amount of increases in Federal pay and other benefit programs.

Income limitation increase. The Administration opposed the \$300 income limitation increase in H.R. 10355. Under current law, veterans who are entitled to both VA pension and social security benefits generally receive reduced pension benefits when social security benefits are raised. Some pensioners are dropped from pension rolls entirely because of incomes which exceed authorized levels. The increase in social security benefits in 1975 would result in lower pension benefits for 1.3 million pensioners on January 1, 1976.

Congress has regularly responded to this situation, as it has in H.R. 10355, by enacting higher pension income limits. The Administration has taken the position that continuation of the practice of raising income limitations each time a benefit rate is increased is inconsistent with the objective of providing monetary aid to individuals with the greatest need.

Temporary increase provision. H.R. 10355 is unusual in that it would apply for only nine months, i.e., from January 1 to September 30, 1976. This provision was added to the bill by the Senate Veterans Committee which has been examining proposals to reform the pension system ever since the Administration made such a proposal in June 1973. The Administration subsequently withdrew the proposal for budgetary restraint reasons.

On December 15, 1975 the Senate considered and unanimously passed S. 2635, a pension reform proposal similar to the Administration proposal. Since the House has not yet considered S. 2635, both Houses agreed to an "interim" cost-of-living increase which, according to the Senate Committee report "would continue in effect for the remainder of the fiscal year and transition quarter while the House and Senate consider pension restructuring and agree upon a new permanent program for fiscal year 1977 and thereafter."

Cost. VA estimates that enactment of H.R. 10355 would cost approximately \$150.1 million between January 1 and September 30, 1976. The 5% increase previously endorsed by the Administration, with no change in income limits, would have cost \$75 million for the same period.

Recommendation

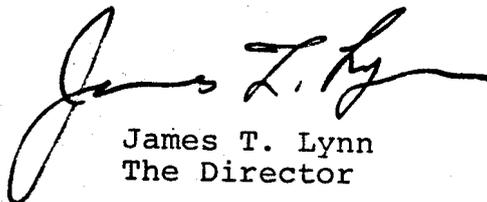
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Although the 8% increase is higher than the Administration proposed, increases in other federally-supported income and benefit programs, e.g., social security and VA compensation, have also exceeded 5% this year. The proposed 8% benefit increase is not significantly out of line with the anticipated cost-of-living increase for 1975 and thus does not warrant a veto.

We still oppose the congressional practice of increasing veterans' income limits each time social security benefits are raised. We believe, however, that this problem can be addressed in next year's congressional deliberations on reform of the veterans pension system. The "interim" nature of the 8% increase should serve to encourage both Houses to consider seriously the need for pension reform next year, and could give the Administration an opportunity to work with the Congress toward developing an acceptable pension reform proposal for the long run. Accordingly, we recommend approval of H.R. 10355.

A handwritten signature in black ink, appearing to read "James T. Lynn", with a large, sweeping flourish at the end.

James T. Lynn
The Director

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: December 22, 1975

Time: 1000am

FOR ACTION: David Lissy *DL*
Max Friedersdorf *MF*
Ken Lazarus *KL*
Bill Seidman *BS*

cc (for information): Jack Marsh
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 22

Time: 200pm

SUBJECT:

H.R. 10355 - Veterans and Survivors Pension
Interim Adjustment Act of 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: December 22, 1975

Time: 1000am

FOR ACTION: David Lissy
 Max Friedersdorf
 Ken Lazarus
 Bill Seidman

cc (for information): Jack Marsh
 Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 22

Time: 200pm

SUBJECT:

H.R. 10355 - Veterans and Survivors Pension
 Interim Adjustment Act of 1975

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

No objection.

Ken Lazarus

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: December 22, 1975

Time: 1000am

FOR ACTION: David Lissy ✓
Max Friedersdorf
Ken Lazarus
Bill Seidman

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___ For Necessary Action

___ For Your Recommendations

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___ Draft Reply

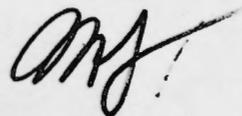
For Your Comments

___ Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

*Judy - The President has already
informally indicated to OMB that
he will sign - and OMB has so
advised VA so the processing of
the checks could proceed.*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: December 22, 1975

Time: 1000am

FOR ACTION: David Lissy
Max Friedersdorf
Ken Lazarus
Bill Seidman

cc (for information): Jack Marsh
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 22

Time: 200pm

SUBJECT:

H.R. 10355 - Veterans and Survivors Pension
Interim Adjustment Act of 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

*Approved
JWS*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

DEC 23 1975

THE WHITE HOUSE
WASHINGTON

December 22, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.L.F.*
SUBJECT: H.R. 10355 - Veterans and Survivors Pension
Interim Adjustment Act of 1975

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

VETERANS AND SURVIVORS PENSION ADJUSTMENT
ACT OF 1975

OCTOBER 30, 1975.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. ROBERTS, from the Committee on Veterans' Affairs,
submitted the following

REPORT

[To accompany H.R. 10355]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 10355) to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes, having considered the same, reports favorably thereon, unanimously by voice vote, without amendment, and recommends that the bill do pass.

INTRODUCTION

On September 29 and October 3 the Subcommittee on Compensation, Pension and Insurance held hearings on H.R. 9045 and an identical bill introduced by Mr. Broyhill of North Carolina, H.R. 9198, that would increase the rates and income limitations governing the payment of non-service-connected disability and death pension for war-time veterans and their survivors and dependency and indemnity compensation payments to needy parents of veterans who died of service related causes.

The subcommittee heard testimony from the Veterans Administration, the Veterans of Foreign Wars, The American Legion, the AMVETS, the Veterans of World War I of the U.S.A., the Paralyzed Veterans of America and Members of Congress.

On October 23 the subcommittee recommended to the full Committee a clean bill.

On October 30 the full Committee, by unanimous voice vote, ordered the bill H.R. 10355 reported.

BACKGROUND AND DISCUSSION

History of the Current Non-Service-Connected Pension System

Since the time of the Revolutionary War the American people have felt a special responsibility for the men and women who served the nation in time of war and for their widows and orphans.

For those disabled and for the survivors of those who died of service caused disease or injury a special burden of care was assumed; yet, for those who were aged and disabled through non-service-connected causes and for the widows and orphans of those dying of non-service-connected disabilities who became in need, the Nation's conscience dictated an honorable measure of assistance.

The older programs were in tune with their times and related to an agrarian and factory work force. Support was predicated on a need growing from inability to do laboring work in a society with no broadly based employment insurance or old age and survivors insurance programs.

The system that existed prior to July 1, 1960 was an all-or-nothing system paying the same amount of pension to the single veteran that was available to the veteran with a wife and children. The same amount of pension was paid to a veteran with no income as was paid to one having but one cent less than the amount of income which would have terminated his entitlement to pension.

A need was seen in 1959 to revise the pension program; to make it more responsive to the needs of those served, and to graduate the amounts of pension in keeping with the degree of need as measured by other income.

Such a modern pension system came into being on July 1, 1960 through enactment of Public Law 86-211. It was a graduated pension system with a three-level scale replacing the old, all-or-nothing system. The largest payments of pension were to those having the least income from other sources, and as outside income increased, the amount of pension decreased.

Most veterans were entitled to greater pension payments under Public Law 86-211 and under it a vast new group of widows and children became entitled to pension benefits. No one received less under the new law since a "grandfather" clause permitted those on the rolls who chose to do so to remain under the old "protected" law. More than 200,000 veterans and survivors are now receiving payment under "protected law." Hundreds of these would receive more pension at once if they would choose now to elect to be paid under current law.

Historically, the Congress has reviewed the pension program with a view toward an equitable adjustment of pension rates and income limitations governing pension entitlement to assure that needy, disabled, wartime veterans and their survivors do not suffer unduly because of inflation.

Congress determined that simple rate adjustments and increases in limitations on income were not enough. A need became clear to relate payment of pension more closely to need.

First, Public Law 90-275, in addition to substantially increasing pension rates payable and raising maximum income limits, replaced the three-level increment system with a scale providing pension rates for each \$100 income level. In this way the disproportionate loss of pension resulting as the veteran's income moved from one to another

of the three levels of entitlement was replaced with a small adjustment in pension as income moved from one of the 20-plus increments of \$100-gradations in the new scale. The more orderly and gradual reduction in monthly pension payments resulting from small increases in other income clearly represented an advancement in providing pension related to each pensioner's need with protection from sharp adjustments.

Public Law 91-588 was enacted following a further review and evaluation of the system in 1970. Even with income limitations graduated in \$100 levels the so-called "sawtooth syndrome" continued to permit, on occasion, a greater reduction in pension than the increase in outside income causing pension reduction. When this happened there resulted a loss of aggregate income for the pensioner. A solution was needed to bring an end to the costly round of rate and increment increases required to pass through at least a part of income increases from other sources. This need was most acutely felt in relation to social security payments since such payments were then, as with pension, controlled by law.

The solution of choice was the payment of pension based on a formula designed to preclude net loss of aggregate income for all who remain on the pension rolls. The formula prevents an individual from having a net loss in total income whenever the individual's VA pension is decreased as the result of an increase in other income, provided the claimant's other income is within the maximum income limits. In each case, when there is a reduction in VA pension because of an increase in countable income from whatever source, the amount of reduction in pension will be less than the amount of increase in other income. Thus, such pensioners will always have a net gain rather than a loss in total income.

The formula is readily adaptable also to the requirement for adjustment in the maximum monthly payment level and in outside limitations for each group when review by Congress dictates the need.

Assessment of the Non-Service-Connected Pension Program

Questions have been raised as to the adequacy of the present pension system and the extent to which it meets the needs of non-service-connected disabled veterans and their dependents, especially in view of the continuing high rate of inflation.

The following table shows the distribution of all active compensation, dependency and indemnity compensation, and pension cases for all wars and regular establishment as of September, 1975:

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES, ALL WARS AND REGULAR ESTABLISHMENT, MONTH OF SEPTEMBER, 1975

Entitlement	Disability, total cases	Death, total cases	Death beneficiaries			
			Total	Widows	Children	Parents
Total	3, 235, 722	1, 622, 840	2, 218, 466	1, 179, 628	866, 157	172, 681
Service connected						
Compensation	2, 221, 514	368, 676	491, 961	211, 012	108, 268	172, 681
Dependency and indemnity compensation	2, 221, 514	90, 225	101, 539	206	37	101, 296
Dependency and indemnity compensation and compensation		273, 519	380, 004	206, 202	108, 030	65, 772
Non-service-connected						
Public Law 86-211	1, 013, 824	4, 932	10, 418	4, 604	201	5, 613
Prior law	911, 448	1, 254, 135	1, 726, 475	968, 600	757, 875	
Special acts	102, 376	1, 159, 480	1, 630, 655	875, 239	755, 416	
Retired emergency officers	41	94, 655	95, 820	93, 361	2, 459	
Retired Reserve officers	342	29	30	16	14	
World War II						
Service connected	1, 888, 830	726, 253	1, 053, 447	433, 324	508, 656	111, 467
Compensation	1, 303, 265	191, 189	222, 256	95, 073	15, 716	111, 467
Dependency and indemnity compensation	1, 303, 265	71, 767	79, 788	112	16	79, 660
Dependency and indemnity compensation and compensation		115, 768	134, 833	91, 499	15, 611	27, 723
Non-service-connected						
Public Law 86-211	585, 565	3, 654	7, 635	3, 462	89	4, 084
Prior law	576, 344	535, 064	831, 191	338, 251	492, 940	
Special acts	9, 221	532, 032	827, 959	335, 237	492, 722	
Retired Reserve officers	342	3, 032	3, 232	3, 014	218	
World War I						
Service connected	419, 194	614, 648	630, 385	602, 722	27, 283	380
Compensation	53, 519	34, 880	35, 496	34, 027	1, 089	380
Dependency and indemnity compensation	53, 519	186	198	55	1	142
Dependency and indemnity compensation and compensation		34, 690	35, 290	33, 968	1, 088	234
Non-service-connected						
Public Law 86-211	365, 332	4	8	4		4
Prior law	273, 711	579, 768	594, 889	568, 695	26, 194	
Special acts	91, 621	507, 486	521, 873	496, 488	25, 385	
Retired emergency officers	342	72, 282	73, 016	72, 207	899	
Korean conflict						
Service connected	293, 663	136, 363	287, 116	49, 252	213, 544	24, 320
Compensation	239, 869	39, 381	51, 373	18, 728	8, 325	24, 320
Dependency and indemnity compensation	239, 869	14, 798	17, 535	14	2	17, 519
Dependency and indemnity compensation and compensation		23, 620	31, 777	17, 841	8, 294	5, 642
Non-service-connected						
Public Law 86-211	53, 794	963	2, 061	873	29	1, 159
Prior law	52, 779	96, 982	235, 743	30, 524	205, 219	
Special acts	1, 015	96, 914	235, 651	30, 458	205, 193	
Retired Reserve officers	342	68	92	66	26	
Vietnam era						
Service connected	438, 407	72, 344	153, 528	38, 372	93, 135	22, 021
Compensation	430, 561	54, 852	114, 032	30, 861	61, 150	22, 021
Dependency and indemnity compensation	430, 561	26	38	9	14	15
Dependency and indemnity compensation and compensation		54, 802	113, 915	30, 835	61, 100	21, 980
Non-service-connected						
Public Law 86-211	7, 846	24	79	17	36	26
Prior law	7, 846	17, 492	39, 496	7, 511	31, 985	
Special acts		17, 492	39, 496	7, 511	31, 985	
Regular establishment						
Service connected	194, 283	48, 122	68, 547	32, 095	21, 959	14, 493
Compensation	194, 283	48, 110	68, 535	32, 083	21, 959	14, 493
Dependency and indemnity compensation	194, 283	3, 448	3, 980	16	4	3, 960
Dependency and indemnity compensation and compensation		44, 375	63, 920	31, 819	21, 908	10, 193
Special acts	40	287	635	248	47	340
Retired Reserve officers	1	12	12	12	12	12
Spanish-American War						
Service connected	929	24, 078	24, 394	23, 048	1, 946	

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES, ALL WARS AND REGULAR ESTABLISHMENT, MONTH OF SEPTEMBER, 1975—Continued

Entitlement	Disability, total cases	Death, total cases	Death beneficiaries			
			Total	Widows	Children	Parents
Service connected	9	253	258	236	22	
Compensation	9					
Dependency and indemnity compensation		253	258	236	22	
Non-service-connected						
Public Law 86-211	920	23, 816	24, 127	22, 809	1, 318	
Prior law	401	4, 989	5, 100	4, 985	115	
Special acts	519	18, 827	19, 027	17, 824	1, 203	
Retired Reserve officers		9	9	3	6	
Mexican Border Service						
Service connected	375	569	578	562	16	
Compensation	8	2	2	2		
Dependency and indemnity compensation	8					
Non-service-connected		2	2	2		
Public Law 86-211	367	567	576	560	16	
Prior law	367	567	576	560	16	
Indian wars		78	79	64	15	
Service connected		1	1		1	
Dependency and indemnity compensation		1	1		1	
Non-service-connected		76	77	65	14	
Prior law		76	77	63	14	
Special acts		1	1	1		
Civil War		385	392	189	203	
Service connected		8	8	2	6	
Dependency and indemnity compensation		8	8	2	6	
Non-service-connected		370	376	187	189	
Prior law		370	376	187	189	
Special acts		7	8		8	

Source: Reports and Statistics Service Office of Controller, Oct. 6, 1975.

The following table shows the percent of increase in pension rates vis-a-vis the percent of increase in cost of living indices and a comparison of such increases with the current cost of living index and the increased rates the bill proposes:

TABLE 2.—PENSION RATES CORRELATED TO COST OF LIVING

Law	Effective date	Monthly rates, veteran and 3 or more dependents, minimal income	Consumer Price Index ¹	Percent of change in monthly pension rate over July 1933 rate	Percent of change in cost of living index over that for July 1933 ¹
Veterans Regulations 1(a)	July 1, 1933	\$30.00	38.1		
Public Law 601, 77th Cong.	June 10, 1942	40.00	48.8	33%	28.1
Public Law 313, 78th Cong.	May 27, 1944	50.00	52.4	66%	37.5
Public Law 952, 79th Cong.	Sept. 1, 1946	60.00	60.5	100.0	58.8
Public Law 356, 82d Cong.	July 1, 1952	63.00	79.5	110.0	108.7
Public Law 698, 83d Cong.	Oct. 1, 1954	68.15	80.4	120.5	111.0
Public Law 86-211	July 1, 1960	100.00	88.7	233.3	132.8
Public Law 86-664	Jan. 1, 1965	115.00	93.6	283.3	145.7
Public Law 90-77	Oct. 1, 1967	118.00	100.7	296.7	164.3
Public Law 90-275	Jan. 1, 1969	130.00	106.4	333.3	179.3
Public Law 91-588	Jan. 1, 1971	142.00	119.1	373.3	212.6
Public Law 92-198	Jan. 1, 1972	150.00	123.1	400.0	223.1
Public Law 93-177	Jan. 1, 1974	164.00	138.5	446.7	263.5
Public Law 93-527	Jan. 1, 1975	182.00	155.4	506.7	307.9
H.R. 10355, 94th Cong.	Jan. 1, 1976	196.00	162.8	553.3	327.5

¹ As of January 1971, the CPI has been connected to the new base, 1967=100.
² August, 1975.

It is readily apparent from this table that the Congress has addressed the task of providing adequately for the needy, wartime veteran.
 The following two tables show a historical record of development of pensions for veterans: (1) The development of the protected law pension program and, (2) the evolution of current law rates and income limitations.

TABLE 3.—HISTORICAL DEVELOPMENT OF PROTECTED LAW PENSION FOR VETERANS

Law and effective date	Income limits		Rates of pension				Aid and attendance	House bound
	Single	With dependent	Single	1 dependent	2 dependents	3 dependents		
WW VA, July 1, 1933	\$1,000	\$2,500	\$30	\$30	\$30	\$30		
Public Law 77-601, June 10, 1942	1,000	2,500	\$40	\$40	\$40	\$40		
Public Law 78-313, May 27, 1944	1,000	2,500	\$50, age 65 or after 10 yr \$60.	\$50, age 65 or after 10 yr \$60.	\$50, age 65 or after 10 yr \$60.	\$50, age 65 or after 10 yr \$60.		
Public Law 79-662, Sept. 1, 1946	1,000	2,500	\$60, age 65 or after 10 yr \$72.	\$60, age 65 or after 10 yr \$72.	\$60, age 65 or after 10 yr \$72.	\$60, age 65 or after 10 yr \$72.		
Public Law 82-149, Nov. 1, 1951	1,000	2,500	\$80, age 65 or after 10 yr \$72.	\$69, age 65 or after 10 yr \$72.	\$60, age 65 or after 10 yr \$72.	\$60, age 65 or after 10 yr \$72.	\$120.00	
Public Law 82-356, Public Law 82-357, July 1, 1952	1,400	2,700	\$63, age 65 or after 10 yr \$75.	\$63, age 65 or after 10 yr \$75.	\$63, age 65 or after 10 yr \$75.	\$63, age 65 or after 10 yr \$75.	129.00	
Public Law 83-698, Oct. 1, 1954	1,400	2,700	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	135.45	
Public Law 90-77, Oct. 1, 1967	1,400	2,700	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100
Public Law 90-275, Jan. 1, 1969	1,600	2,900	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100
Public Law 91-588, Jan. 1, 1971	1,900	3,200	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100
Public Law 92-198, Jan. 1, 1972	2,200	3,500	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	134.55	100
Public Law 93-527, Jan. 1, 1975	2,600	3,900	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100
H.R. 10355, 94th Cong., Jan. 1, 1976	2,900	4,200	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100

TABLE 4.—HISTORICAL DEVELOPMENT OF CURRENT LAW PENSION FOR VETERANS

Law and effective date	Income limits		Rates of pension				House bound
	Single	With dependent	Single	1 dependent	2 dependents	3 dependents	
Public Law 86-211, July 1, 1960	\$1,800	\$3,000	\$65 down to \$40	\$90 down to \$45	\$85 down to \$45	\$100 down to \$45	\$70 added
Public Law 88-664, Jan. 1, 1965	1,800	3,000	\$100 down to \$43	\$105 down to \$48	\$110 down to \$48	\$115 down to \$48	\$100 added
Public Law 90-77, Oct. 1, 1967	1,800	3,000	\$104 down to \$45	\$109 down to \$49	\$114 down to \$49	\$119 down to \$49	\$100 added
Public Law 90-275, Apr. 1, 1968	2,000	3,200	\$121 down to \$49	\$126 down to \$53	\$131 down to \$53	\$136 down to \$53	\$100 added
Public Law 91-588, Jan. 1, 1971	2,000	3,200	\$130 down to \$52	\$135 down to \$56	\$140 down to \$56	\$145 down to \$56	\$100 added
Public Law 92-198, Jan. 1, 1972	2,600	3,800	\$143 down to \$58	\$148 down to \$62	\$153 down to \$62	\$158 down to \$62	\$100 added
Public Law 93-177, Jan. 1, 1974	2,600	4,200	\$160 down to \$63	\$165 down to \$69	\$170 down to \$69	\$175 down to \$69	\$100 added
Public Law 93-527, Jan. 1, 1975	3,000	4,500	\$173 down to \$65	\$178 down to \$71	\$183 down to \$71	\$188 down to \$71	\$100 added
H.R. 10355, 94th Cong., Jan. 1, 1976	3,300			\$186 down to \$65	\$191 down to \$65	\$196 down to \$65	\$100 added

Income Characteristics of Non-service-connected Pensioners.

A considerable volume of data is available on the income characteristics of veterans and widows receiving pension and on parents who are in receipt of DIC. The following tables show the numbers of beneficiaries at selected levels of income other than pension on April 20, 1975:

TABLE 5.—ALL VETERANS ON PENSION ROLLS, APR. 20, 1975

Annual income not over—	Total	Old law	New law	Percent old law	Percent new law
\$100	158,507	9,121	149,386	5.8	94.2
\$200	4,229	656	3,573	15.5	84.5
\$300	4,233	576	3,657	13.6	86.4
\$400	3,424	540	2,884	15.8	84.2
\$500	3,648	452	3,196	12.4	87.6
\$600	3,155	429	2,726	13.6	86.4
\$700	3,296	434	2,862	13.2	86.8
\$800	2,766	386	2,380	14.0	86.0
\$900	8,524	482	8,042	5.7	94.3
\$1,000	15,057	795	14,262	5.3	94.7
\$1,100	37,638	3,219	34,419	8.6	91.4
\$1,200	18,966	1,570	17,396	8.3	91.7
\$1,300	18,946	1,627	17,319	8.6	91.4
\$1,400	21,777	2,025	19,752	9.3	90.7
\$1,500	28,581	2,676	25,905	9.4	90.6
\$1,600	29,112	2,754	26,358	9.5	90.5
\$1,700	33,439	3,436	30,003	10.3	89.7
\$1,800	31,524	3,520	28,004	11.2	88.8
\$1,900	34,390	4,183	30,207	12.2	87.8
\$2,000	33,722	4,401	29,321	13.1	86.9
\$2,100	35,604	5,028	30,576	14.1	85.9
\$2,200	33,351	5,672	28,679	14.0	86.0
\$2,300	37,965	5,359	32,606	14.1	85.9
\$2,400	39,391	6,686	32,705	17.0	83.0
\$2,500	39,860	6,621	33,239	11.6	88.4
\$2,600	42,534	5,355	37,179	12.6	87.4
\$2,700	39,321	3,388	35,933	8.6	91.4
\$2,800	35,343	2,803	32,540	7.9	92.1
\$2,900	26,312	2,817	23,495	10.7	89.3
\$3,000	26,248	2,937	23,311	11.2	88.8
\$3,100	20,882	2,867	18,015	13.7	86.3
\$3,200	18,504	2,939	15,565	15.9	84.1
\$3,300	16,306	2,842	13,464	17.4	82.6
\$3,400	14,480	2,898	11,582	20.0	80.0
\$3,500	13,942	2,899	11,043	20.8	79.2
\$3,600	12,790	2,257	10,533	17.7	82.3
\$3,700	11,549	1,972	9,577	17.1	82.9
\$3,800	12,621	1,448	11,173	11.5	88.5
\$3,900 to \$4,200	28,919	1,115	27,804	3.9	96.1
Total	1,000,963	108,232	892,731	10.8	89.2

TABLE 6.—ALL WIDOWS ON PENSION ROLLS, APR. 20, 1975

Annual income per year	Total	Old law	New law	Percent old law	Percent new law
\$100	128,514	2,001	124,513	1.6	98.4
\$200	4,889	153	4,736	3.1	96.9
\$300	6,460	147	6,313	2.3	97.7
\$400	6,695	142	6,553	2.1	97.9
\$500	6,200	162	6,038	2.6	97.4
\$700	7,576	238	7,338	3.1	96.9
\$900	7,510	283	7,227	3.8	96.2
\$1,000	6,137	259	5,878	4.2	95.8
\$1,100	10,488	334	10,154	3.2	96.8
\$1,200	28,743	1,133	27,610	3.9	96.1
\$1,300	23,584	2,180	21,404	9.2	90.8
\$1,400	26,162	1,603	24,559	6.1	93.9
\$1,500	27,936	1,943	26,003	6.9	93.1
\$1,600	31,412	2,789	28,623	8.9	91.1
\$1,700	37,419	3,234	34,185	8.6	91.4
\$1,800	37,068	4,239	32,829	11.4	88.6
\$1,900	38,291	4,869	33,422	12.7	87.3
\$2,000	39,942	5,552	34,390	13.9	86.1
\$2,100	42,348	5,971	36,377	14.1	85.9
\$2,200	43,882	6,289	37,593	14.3	85.7
\$2,300	45,185	6,289	38,896	14.1	85.9
\$2,400	44,530	6,713	37,817	15.3	84.7
\$2,500	40,565	6,432	34,133	15.9	84.1
\$2,600	45,388	7,979	37,409	17.6	82.4
\$2,700	36,656	3,783	32,873	10.3	89.7
\$2,800	28,456	2,517	25,939	9.2	90.8
\$2,900	28,395	2,8	25,617	0.1	99.9
\$3,000	21,787	41	21,746	0.2	99.8
\$3,100	11,822	34	11,788	0.3	99.7
\$3,200	7,319	37	7,282	0.5	99.5
\$3,300	2,071	30	2,041	1.5	98.5
\$3,400	1,911	27	1,884	1.4	98.6
\$3,500	1,881	28	1,853	1.5	98.5
\$3,600	1,630	17	1,613	1.0	99.0
\$3,700	1,533	21	1,512	1.3	98.7
\$3,800	1,376	14	1,362	1.0	99.0
\$3,900	2,271	24	2,247	1.1	99.3
\$4,000	4,588	5	4,583	0.1	99.7
Total	691,575	77,286	614,289	8.3	91.7

TABLE 7.—VETERANS ON PENSION ROLLS—ALL VETERANS, APR. 20, 1975

	Vet—No dependents				Vet—With dependents				Grand total
	0 to 600	600 to 1,200	1,200 to limit	Total	0 to 1,000	1,000 to 2,000	2,000 to limit	Total	
1964	167,718	158,248	80,708	406,674	224,784	362,378	181,932	769,094	1,175,768
1965	169,668	162,243	59,830	391,741	277,794	380,208	149,835	807,837	1,199,528
1966	158,922	149,975	74,979	383,876	256,505	390,783	168,074	815,362	1,199,238
1967	156,851	148,610	74,540	380,001	249,409	378,841	169,219	797,469	1,177,470
1968	154,263	147,665	76,241	378,169	240,771	366,236	168,316	775,323	1,153,492
1969	144,075	132,479	92,399	368,953	218,966	348,926	177,719	745,611	1,114,564
1970	130,852	128,322	105,764	364,938	189,733	347,733	182,182	719,648	1,084,586
1971	106,880	123,682	139,992	370,554	160,537	330,607	207,149	698,293	1,068,847
1972	101,322	105,809	167,724	374,855	142,738	300,964	256,781	700,483	1,075,338
1973	100,570	71,669	193,911	366,150	117,310	204,633	358,601	680,544	1,046,694
1974	101,270	65,675	197,087	364,032	111,983	183,451	367,937	663,371	1,027,403
1975	98,872	49,405	218,564	366,841	90,399	143,369	400,354	634,122	1,000,963

TABLE 10.—DEPENDENCY AND INDEMNITY COMPENSATION, PARENTS ONLY—2 PARENTS, APR. 20, 1975
(ALL CASES)—Continued

Annual income not over	Father living with spouse or remarried and living with spouse		Mother living with spouse or remarried and living with spouse		Surviving father remarried and living with spouse		Surviving mother remarried and living with spouse	
	Number	Percent of total	Number	Percent of total	Number	Percent of total	Number	Percent of total
\$2,800	206	2.5	206	2.5	11	2.4		
\$3,000	194	2.4	189	2.3	7	1.5	15	2.1
\$3,100	165	2.0	167	2.0	11	2.4	22	3.1
\$3,200	179	2.2	187	2.3	13	2.8	28	4.0
\$3,300	166	2.0	150	1.8	3	0.7	22	3.1
\$3,400	151	1.9	149	1.8	13	2.8	17	2.4
\$3,500	175	2.2	172	2.1	10	2.2	18	2.6
\$3,600	146	1.8	163	2.0	5	1.1	19	2.7
\$3,700	148	1.8	161	2.0	11	2.4	22	3.1
\$3,800	141	1.7	141	1.7	10	2.2	17	2.4
\$3,900	134	1.7	132	1.6	8	1.8	15	2.1
\$1,900 to \$4,200	345	4.2	344	4.2	25	5.5	37	5.3
Total	8,133	100.0	8,169	100.0	458	100.0	704	100.0

EXPLANATION OF THE BILL

Last year Congress passed S. 4040, which became Public Law 93-527, the Veterans and Survivors Pension Adjustment Act of 1974. Among other things, it provided a 12-percent increase in pension rates for eligible veterans and their survivors and raised the maximum annual income limitations by \$400.

The reported bill (H.R. 10355) would provide an 8-percent increase in current pension rates and would raise the maximum annual income limits by \$300.

The Consumer Price Index has risen 5.3 percent since pension rates were last adjusted on January 1, 1975. Since the proposed increases in the reported bill would become effective January 1, 1976, the 8-percent rate increase would offset expected increases in the Consumer Price Index for all of 1975.

The reported bill's increases in maximum rates of 8 percent will be spread by the formula throughout the range of payments relating to each dollar level of other income.

Since pension rate increases standing alone would not benefit the relatively few who would, in 1976, exceed current income limitations, the bill is further designed to increase the upper limits controlling pension entitlement by \$300 for each group of pensioners. The \$300 additional income allowance will prevent termination of pension for any pensioners solely because of the 8 percent increase in his or her social security benefits.

The income limit provided under current law for veterans and widows without dependents would be increased from \$3,000 to \$3,300. The income limit for a veteran or a widow with dependents would be increased from \$4,200 to \$4,500.

These figures do not tell the entire story. Since current law counts only 90 percent of a pensioner's income from social security and other retirement type payments that represent most pensioners' income, the effective income limits for them could be as high as \$3,666 and \$5,000 respectively.

For easy reference, the following tables set forth the current rates of pension payable to veterans and widows and to DIC parents at

\$100 increments together with the corresponding amount that would be payable under the increased rate formula of the bill:

TABLE 11.—PENSION PROPOSAL

Income not over	Veteran alone		Veteran and 1 dependent		Widow alone		Widow with 1 dependent	
	Current	Bill	Current	Bill	Current	Bill	Current	Bill
\$300	\$160	\$173			\$108	\$117		
\$400	157	170			107	116		
\$500	154	167	\$172	\$186	106	115		
\$600	150	163	170	184	105	114		
\$700	146	159	168	182	102	111	\$128	\$139
\$800	142	154	165	179	99	108	127	138
\$900	138	149	162	176	96	105	126	137
\$1,000	133	144	159	173	92	101	125	136
\$1,100	128	139	156	170	88	97	124	135
\$1,200	123	134	153	167	84	93	122	133
\$1,300	118	128	150	164	80	89	120	131
\$1,400	113	122	147	160	76	85	118	129
\$1,500	108	116	144	156	72	81	116	127
\$1,600	102	110	141	152	68	76	114	125
\$1,700	96	104	138	148	64	71	112	123
\$1,800	90	97	135	144	60	66	110	121
\$1,900	84	90	131	140	56	61	108	118
\$2,000	77	83	127	136	52	56	106	115
\$2,100	70	75	123	132	48	51	104	112
\$2,200	63	67	119	128	43	46	101	109
\$2,300	56	59	115	124	38	41	98	106
\$2,400	48	51	111	120	33	36	95	103
\$2,500	40	43	107	116	28	31	92	100
\$2,600	32	35	103	112	23	26	89	97
\$2,700	24	27	99	108	18	21	86	94
\$2,800	16	19	95	104	13	15	83	90
\$2,900	8	11	91	99	8	9	80	86
\$3,000	5	5	87	94	5	5	77	82
\$3,100		5	82	89		5	73	78
\$3,200		5	77	84		5	69	74
\$3,300		5	72	78		5	65	70
\$3,400			67	72			61	66
\$3,500			62	66			57	62
\$3,600			56	60			53	57
\$3,700			50	54			49	53
\$3,800			44	48			49	53
\$3,900			37	40			49	53
\$4,000			30	32			49	53
\$4,100			22	24			49	53
\$4,200			14	16			49	53
\$4,300				8				53
\$4,400				5				53
\$4,500				5				53

TABLE 12.—DIC PARENTS

Income not over	1 parent		2 parents not together		2 parents together	
	Current	Bill	Current	Bill	Current	Bill
\$300						
\$400						
\$500						
\$600						
\$700						
\$800	\$123	\$133	\$86	\$93		
\$900	120	130	84	91		
\$1,000	117	127	82	89	\$83	\$90
\$1,100	113	123	80	87	82	88
\$1,200	109	119	76	83	80	86
\$1,300	105	114	72	79	78	84
\$1,400	100	109	68	75	76	82
\$1,500	95	104	64	71	74	80
\$1,600	90	98	60	67	72	78
\$1,700	84	92	56	62	70	76
\$1,800	78	84	52	57	68	74
\$1,900	71	76	48	52	64	70
\$2,000	64	68	44	47	64	70
\$2,100	56	60	40	42	62	68
\$2,200	48	52	35	37	60	66

TABLE 12.—DIC PARENTS—Continued

Income not over	1 parent		2 parents not together		2 parents together	
	Current	Bill	Current	Bill	Current	Bill
\$2,300	\$40	\$44	\$30	\$32	\$58	\$64
\$2,400	32	36	25	27	56	61
\$2,500	24	28	20	21	54	58
\$2,600	16	20	14	15	51	55
\$2,700	8	12	8	9	48	52
\$2,800	4	5	4	5	45	49
\$2,900	4	5		5	42	46
\$3,000	4	5		5	39	43
\$3,100		5		5	36	47
\$3,200		5		5	33	30
\$3,300		5		5	30	34
\$3,400					27	30
\$3,500					24	26
\$3,600					20	22
\$3,700					16	18
\$3,800					12	14
\$3,900					8	10
\$4,000					4	6
\$4,100					4	5
\$4,200					4	5
\$4,300						5
\$4,400						5
\$4,500						5

Most pensioners are elderly—and the most common source of income available to them is social security. The average social security payment now received by veteran pensioners is reported as \$187 monthly. The figure for widows was placed at \$157 monthly. The following table shows the number of non-service-connected pensioners receiving OASI benefits broken down by age groupings and average benefit:

TABLE 13.—NON-SERVICE-CONNECTED PENSIONERS WITH OLD AGE SURVIVORS INSURANCE

Veterans	Number with OASI ¹		Percent with OASI ¹	Average OASI ¹
	Total caseload			
Less than 65	275,700	448,800	61.4	\$2,447
65 to 69	106,300	113,100	94.0	2,103
70 to 74	54,600	58,600	93.1	2,012
75 to 79	181,600	200,700	90.5	2,191
80 and over	165,600	196,700	84.2	2,061
Total veterans	783,800	1,017,900	77.0	2,229
Survivors	945,700	1,250,990	75.6	1,883

¹ Source: 1 percent sample of AIQ's; March 1975.

² Note: No age breakout is available for survivors.

Under the formula pension plan as liberalized by Public Law 93-527 that became effective January 1, 1975, no pensioner lost his pension solely because of the increase in his social security benefits which became effective in 1974. Under the liberalized formula it is further true that no pensioner suffered a loss in total annual income as a result solely of his increase in social security payments.

The amendments proposed by this bill for 1976 would again insure that there would be no termination of pension or reduction in net annual income of the pensioner resulting solely from his 8 percent social security increase which became effective in June of this year.

Many reports were received this year attributing loss of pension or loss of income to last year's social security increase. A large group of

cases was submitted by two national service organizations to show that pensions were reduced or terminated simply because of the social security increase. All of these cases were thoroughly reviewed and in no case was there a termination of pension because of the pensioner's social security increase. There were, further, no cases in which such social security increase alone resulted in a loss of total, combined annual income.

SECTION-BY-SECTION ANALYSIS OF H.R. 10355

The first section provides that the Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1975."

Section 2 would increase by approximately 8 percent the monthly rates for veterans under the current pension program, including the housebound and aid and attendance rates, and would increase their maximum annual income limitations by \$300.

Section 3 would increase widows' monthly pension rates by approximately 8 percent, and would increase their maximum annual income limitations by \$300. The latter section would also increase the rate for each child in excess of one (with a widow) from \$20 to \$22 per month.

Section 4 would increase the monthly pension rate for a surviving child where there is no widow entitled from \$49 to \$53, and the rate for each additional child from \$20 to \$22. Also, section 4 would increase a child's unearned annual income limitation from \$2,400 to \$2,700.

Section 5 of the bill would increase from \$64 to \$69 the special monthly aid and attendance allowance payable to widows on the pension rolls.

Section 6 of the bill would increase from \$2,600 to \$2,900 and from \$3,900 to \$4,200 the applicable maximum income limitations governing payment to persons receiving pension under the prior program in effect on June 30, 1960.

Section 7 would increase by approximately 8 percent the monthly dependency and indemnity compensation payable to eligible surviving parents of persons who died of service-connected causes. Further, it proposes to increase by \$300 the applicable maximum income limitations governing the payment of such compensation. Another feature of section 7 is a proposal to increase the monthly aid and attendance allowance payable to parents under the dependency and indemnity compensation program from \$64 to \$69.

Section 8 would increase the monthly aid and attendance allowance of widows and dependent parents receiving death compensation from \$64 to \$69.

Section 9 would require the Administrator to prescribe, by regulation, minimum levels of monthly income which, if not exceeded, would preclude denial of dependency of a parent for the purpose of payment of death compensation under 38 U.S.C. 322, or additional disability compensation to a veteran under 38 U.S.C. 315.

Section 10 provides an effective date of January 1, 1976.

REQUIREMENTS OF CLAUSE 2(1)(3) OF RULE XI

In compliance with clauses 2(1)(3) of Rule XI of the Rules of the House of Representatives, the following statements are made:

With regard to subdivision (A) of clause 3 (relating to oversight findings), the Committee had the benefit of the results of a study required of the Administrator of Veterans' Affairs by Public Law 93-527. This study was published July 24, 1975, as House Committee Print No. 40, 94th Congress, 1st Session, entitled "Veterans Administration Study of Needs of Veterans and Widows 72 Years of Age or Older".

That Committee Print is incorporated, by reference, as a part of this Report. However, it may be useful to state here the conclusions of this substantial study:

The pension program has always been based upon the philosophy of providing a measure of assistance to disabled veterans who have wartime service and their surviving dependents in need. It has been intended as a contribution to their support and not to provide full support.

The information derived from the questionnaires shows pensioners rely heavily on Federal programs for their support and prefer to receive veterans' pension to other forms of support. The veterans pension has always been looked on as an honorable means of support to those who performed military service and to their survivors. However, there are many other programs available which can assist in improving their situations which it appears they are not making full use of.

It is apparent from the study that the current pension system is effectively performing the function for which it was designed in contributing to the support of those in need.

The study was limited to veterans and widows or widowers of veterans in receipt of pension. Since all who receive pension must meet needs tests, the study was limited to the veteran and survivor population over age 72 who have been preselected to have the lower incomes. Even so, the average incomes of pensioners developed by the study exceed the incomes shown for similar groups in the population according to the most recent figures available from the Bureau of the Census.

For married couples aged 73 and over these data (1973) show median income to be \$5,084 annually. Pensioners with dependents studied had median incomes of \$5,550 under the old law and \$5,148 under the current pension program.

Males aged 73 and over had median incomes, according to the same source, of \$2,465 if in a family and \$2,882 if not in a family. For veterans studied the median was \$3,156 for old law and \$2,970 in current law. The median income for widows in the study was reported as \$2,942. In the general population the medians for the aged female are reported as \$1,795 for those in families and \$2,471 for those not in families.

The committee reviewed the adequacy of benefits provided by the non-service-connected pension program for wartime veterans and their

surviving spouses and children who are in need. It reviewed as well the adequacy of the related, needs based programs of death compensation and of dependency and indemnity compensation provided for parents of veterans dying of service-connected causes and who have limited incomes. Hearings were held by the Subcommittee on Compensation, Pension and Insurance on September 29 and October 3, 1975, into the adequacy of benefit rates and the income limitations governing the payment of pension and death compensation for parents.

In addition, the committee has received the benefit of several staff studies conducted by the Administrator.

It is evident from all these findings that the effects of inflation continue to depreciate the real worth of the income available to pensioners from sources other than pension and discount as well the pensions provided by veterans' laws. Under a formula enacted by the Congress, social security benefits were increased mid-year by 8 percent. Social security is the principal source of income for aged and disabled veterans, their widows, orphans and their surviving dependent parents. Other sources of retirement and annuity type income have, in many instances, also increased because of escalator provisions in other Federal, State, and local laws or union and company pension contracts.

Since pension has traditionally been a needs program, income from other sources has been taken into account in establishing entitlements and setting payment rates. Because of the "end-of-the-year rule" social security and other increases will not affect pension payments in 1975.

The committee demonstrated, however, that increases in income limitations and in rates are required for 1976 if substantial adverse effect on overall pension entitlement is to be averted. Such remedies are provided by the bill and the bill has been carefully limited to such remedies.

With respect to subdivision (C) of clause 3, no cost estimate or comparison has been submitted by the Congressional Budget Office relative to the provisions of H.R. 10355.

In regard to subdivision (D) of clause 3, no oversight findings have been submitted to the committee by the Committee on Government Operations.

INFLATIONARY IMPACT STATEMENT

With respect to clause 2(1)(4) of Rule XI of the House Rules, relating to the inflationary impact of the reported bill, the committee is of the opinion the rate increase provided in H.R. 10355 is not inflationary. The estimated first year cost of the bill is approximately \$198.4 million. The bill provides a cost-of-living increase and does not initiate any new spending program with future year import. Since the last rate increase, the Consumer Price Index has risen 5.3 percent according to the latest report by the Department of Labor, and it must be presumed that it will continue in its upward climb until January 1, 1976, when the bill will be effective.

Pertinent data in detail since that date are reflected as follows:

TABLE 14.—SHOWING PERCENTAGE CHANGE IN CONSUMER PRICE INDEX SINCE PENSION INCREASE, EFFECTIVE JAN. 1, 1975

Date	CPI	Percent increase since last increase
Jan. 1, 1975	155.4	0
Feb. 1, 1975	156.1	5
Mar. 1, 1975	157.2	1.2
Apr. 1, 1975	157.8	1.5
May 1, 1975	158.6	2.1
June 1, 1975	159.3	2.5
July 1, 1975	160.5	3.4
Aug. 1, 1975	162.3	4.4
Sept. 1, 1975	162.8	4.8
Oct. 1, 1975	163.6	5.3

The bill as reported preserves the fundamental principles incorporated in the most recent refinements of the pension program, which means that as a result of the increases in income limitations of \$300 and of rates by 8 percent, no pensioner will have his entitlement to pension terminated solely because of his social security increase in 1975 and, equally important, all who continue to receive pension in 1976 will enjoy more total income from pension and other sources than they had in 1975.

Cost

According to the Veterans' Administration, the measures proposed by the bill would involve an estimated first full-year cost of \$198.4 million. The cost for the transition period (July through September, 1976) is estimated to be about \$50.0 million. The committee has secured the following cost estimates from the agency, and has adopted them as its own:

TABLE 15.—5-YR COST OF H.R. 10355

Year	Cost (millions)
I. Current law, 8-percent increase \$300, income limit increase:	
1976 (½ yr)	85.3
Transition quarter	42.6
1977	170.0
1978	168.0
1979	163.2
1980	156.7
II. Old law, \$300 income limit increase:	
1976 (½ yr)	5.5
Transition quarter	2.7
1977	9.6
1978	7.7
1979	5.7
1980	3.8
III. DIC parents, 8-percent increase, \$300 income limit increase:	
1976 (½ yr)	2.9
Transition quarter	1.5
1977	5.9
1978	5.8
1979	5.6
1980	5.4
IV. Increase in children's rates:	
1976 (½ yr)	.7
Transition quarter	.4
1977	1.3
1978	1.3
1979	1.2
1980	1.1

TABLE 15.—5-YR COST OF H.R. 10355—Continued

Year	Cost (millions)
V. Increase in aid and attendance/housebound rate:	
1976 (½ yr)	5.7
Transition quarter	2.8
1977	11.6
1978	11.6
1979	11.5
1980	11.0
VI. Minimum standards for dependency of parents:	
	No cost
VII. Total cost:	
1976 (½ yr)	100.1
Transition quarter	50.0
1977	198.4
1978	194.4
1979	187.2
1980	178.0

AGENCY REPORT

The report of the Veterans' Administration on the bill H.R. 9045 and on H.R. 9198, identical to the reported bill (H.R. 10355), follows:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., September 29, 1975.

HON. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for a report on H.R. 9045, 94th Congress.

The measure, to be known as the "Veterans and Survivors Pension Adjustment Act of 1975," would provide, among other things, increases in the rates and income limitations relating to non-service-connected disability and death pension for veterans, widows and children under the current program, increases in the rates and income limitations for parents of deceased servicemen under the service-connected dependency and indemnity compensation program, and increases in income limitations for beneficiaries under the protected pension law.

The current pension program under chapter 15 of title 38, United States Code, provides monthly non-service-connected disability or death pension for otherwise eligible veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and their widows and children. Benefits are provided on a sliding scale according to income and family status, with the greatest amounts of pension payable to those with the greatest need. Basic disability pension rates for veterans range from \$5 to \$182 per month with a maximum annual income limitation as high as \$4,200, according to number of dependents. The applicable monthly rate is increased by \$123 if the veteran is in need of the regular aid and attendance of another person, or by \$49 if he is permanently housebound but not entitled to the aid and attendance allowance.

Similarly, the death pension rate for a widow without a child ranges from \$5 to \$108 per month, with a maximum annual income limitation of \$3,000. In the case of a widow with one child, the monthly rate can go as high as \$128, with a maximum annual income limitation of \$4,200. There is an allowance of \$20 per month for each additional child. The basic monthly rate is increased by \$64 if the widow is in need of regular aid and attendance. For children, where no widow is entitled, monthly death pension of \$49 is payable for one child, and \$20 for each additional child, the total payable in equal shares. There is an unearned annual income limitation of \$2,400 applicable to a child where no widow is entitled.

The rates of pension and limitations on annual income are different with respect to persons who were receiving pension on June 30, 1960, and who continue to receive benefits under that prior system pursuant to the savings provisions of section 9(b) of the Veterans' Pension Act of 1959 (Public Law 86-211). Applicable annual income limitations are \$2,600 for a veteran unmarried and without a child, a widow without a child or a child alone; and \$3,900 for a veteran married or with a child, and for a widow with a child.

Under chapter 13 of title 38, United States Code, monthly dependency and indemnity compensation payments are made to widows and certain parents and children of veterans who die of a service-connected cause. Parents' benefits are provided on a sliding scale based on annual income. The income limitations vary according to whether there are one or two parents, and in a case of two parents, whether they are living together or apart. The maximum annual income limitations are \$3,000 for an only parent and for each of two parents living apart, and \$4,200 for two parents (including in some cases an only parent who has remarried). The current monthly rates range from \$4 to \$123 for an only parent, from \$4 to \$86 for each of two parents not living together, from \$4 to \$83 for each of two parents living together, and from \$4 to \$123 for an only parent who has remarried.

Section 2 of H.R. 9045 would increase by approximately 8 percent the monthly rates for veterans under the current pension program, including the housebound and aid and attendance rates, and would increase their maximum annual income limitations by \$300. Section 3 would increase widows' monthly pension rates by approximately 8 percent, and would increase their maximum annual income limitations by \$300. The latter section would also increase the rate for each child in excess of one (with a widow) from \$20 to \$22 per month.

Section 4 would increase the monthly pension rate for a surviving child where there is no widow entitled from \$49 to \$53, and the rate for each additional child from \$20 to \$22. Also, section 4 would increase a child's unearned annual income limitation from \$2,400 to \$2,700.

Section 5 of the bill would increase from \$64 to \$69 the special monthly aid and attendance allowance payable to widows on the pension rolls.

Section 6 of the bill would increase from \$2,600 to \$2,900 and from \$3,900 to \$4,200 the applicable maximum income limitations governing payment to persons receiving pension under the prior program in effect on June 30, 1960.

Section 7 would increase by approximately 8 percent the monthly dependency and indemnity compensation payable to eligible surviving parents of persons who died of service-connected causes. Further, it proposes to increase by \$300 the applicable maximum income limitations governing the payment of such compensation. Another feature of section 7 is a proposal to increase the monthly aid and attendance allowance payable to parents under the dependency and indemnity compensation program from \$64 to \$69, while section 8 would similarly increase the monthly aid and attendance allowance of widows and dependent parents receiving death compensation.

Section 9 would require the Administrator to prescribe, by regulation, minimum levels of monthly income which, if not exceeded, would preclude denial of dependency of a parent for the purpose of payment of death compensation under 38 U.S.C. 322, or additional disability compensation to a veteran under 38 U.S.C. 315.

The code provision to be amended by Section 9, 38 U.S.C. 102(a)(2), presently specifies monetary guidelines for conclusively establishing dependency of parents. Those statutory standards have not been changed since 1957. We favor the proposed specific direction for minimum income levels to be administratively prescribed.

Section 10 provides an effective date of January 1, 1976.

It is estimated that enactment of H.R. 9045 would cost approximately \$100.1 million during fiscal year 1976 (6 months), and that the cost would approximate \$198.4 million for fiscal year 1977, gradually decreasing to \$178 million during fiscal year 1980.

The needs of the veterans and their survivors have been regularly recognized in the face of changing economic conditions. Effective the first of this year, non-service-connected disability and death pension rates for veterans, widows and children and dependency and indemnity compensation rates for parents were increased by approximately 12%, and income limitations were correspondingly increased, by Public Law 93-527.

We believe that Veterans' Administration benefits based upon economic need should be adjusted periodically to preclude serious diminution of the purchasing power of the benefit by inflation. However, such increases must also be related to overall Federal budgetary policies.

The President has continually urged restraint in the overall growth of Federal expenditures and has pointed out that the long-term, as well as near-term, health of the economy requires a reduction in the rapid rate of increase in the Federal budget that has occurred in recent years. To achieve this objective, he has recommended numerous measures to the Congress to deal with inflationary pressures and to reduce the growth of certain Federal programs. As you know, he has urged a limit of 5 percent during this fiscal year on increases in a whole range of Federally-supported benefit and pay programs.

Consonant with the foregoing views of the President, we recommend increases of 5 percent in the monthly rates of pension and parents' dependency and indemnity compensation, effective January 1, 1976.

In recent years pension rates have been increased based upon changes in the consumer price index, and have been almost directly reflective of that percentile increase. In most instances, they have been accompanied by increases in income limits controlling eligibility for benefits.

The effect of the latter increases has been to maintain and enlarge the pension population by authorizing the continued payment of pension benefits to recipients when their incomes rise to levels which would otherwise make them ineligible for pension payments. Because of the higher levels of their incomes, such persons have less need for pension assistance.

We believe that continuation of the practice of raising income limitations each time a benefit rate increase is enacted is inconsistent with the objective of providing monetary aid to individuals with the greatest need. Accordingly we oppose further increases in income limitations relating to pension and parents' dependency and indemnity compensation.

This will also serve as a report on H.R. 9198, 94th Congress, an identical measure.

Advice has been received from the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD L. ROUDEBUSH, *Administrator.*

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H. R. 10355, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

§ 102. Dependent parents; husbands

(a)(1) * * *
 (2) Dependency of a parent shall not be denied (A) solely because of remarriage, or (B) in any case in any State where the monthly income for a mother or father [not living together, is not more than \$105, or where the monthly income for a mother and father living together, is not more than \$175, plus, in either case, \$45 for each additional member] *does not exceed minimum levels which the Administrator shall prescribe by regulation, giving due regard to the marital status of the mother or father and additional members of the family whom the [father or mother] mother or father is under a moral or legal obligation to support[, as determined by the Administrator].*

Subchapter III—Wartime Death Compensation

§ 322. Rates of wartime death compensation

(a) * * *
 (b) The monthly rate of death compensation payable to a widow or dependent parent under subsection (a) of this section shall be

increased by **[\$64]** \$69 if the payee is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

§ 415. Dependency and indemnity compensation to parents

(a) Dependency and indemnity compensation shall be paid monthly to parents of a deceased veteran in the amounts prescribed by this section.

(b)(1) Except as provided in paragraph [(2)] (4) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to [him] *the parent* according to the following formula: [If annual income is \$800 or less, the monthly rate of dependency and indemnity compensation shall be \$123. For each \$1 of annual income in excess of \$800 up to and including \$1,000, the monthly rate shall be reduced 3 cents; for each \$1 of annual income in excess of \$1,000 up to and including \$1,300, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$1,300 up to and including \$1,600, the monthly rate shall be reduced 5 cents; for each \$1 of annual income in excess of \$1,600 up to and including \$1,800, the monthly rate shall be reduced 6 cents; for each \$1 of annual income in excess of \$1,800 up to and including \$2,000, the monthly rate shall be reduced 7 cents; and for each \$1 annual income in excess of \$2,000 up to and including \$3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than \$4. No dependency and indemnity compensation shall be paid if annual income exceeds \$3,000.]

The monthly rate of dependency and indemnity compensation shall be \$133 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$800
.03	\$800	1,000
.04	1,000	1,200
.05	1,200	1,500
.06	1,500	1,700
.08	1,700	3,300.

[(2) If there is only one parent and he has remarried and is living with his spouse, dependency and indemnity compensation shall be paid to him under either the formula of paragraph (1) of this subsection or under the formula in subsection (d), whichever is the greater. In such a case of remarriage the total combined annual income of the parent and his spouse shall be counted in determining the monthly

rate of dependency and indemnity compensation under the appropriate formula.]

(2) *In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5.*

(3) *In no case may dependency and indemnity compensation be paid under this subsection to any parent if the annual income of such parent exceeds \$3,300.*

* * * * *

(c) (1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula: [If the annual income of each parent is \$800 or less, the monthly rate of dependency and indemnity payable to each shall be \$86. For each \$1 of annual income in excess of \$800 up to and including \$1,100; the monthly rate shall be reduced 2 cents; for each \$1 of annual income in excess of \$1,100 up to and including \$2,100, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$2,100 up to and including \$2,500, the monthly rate shall be reduced 5 cents; and for each \$1 of annual income in excess of \$2,500 up to and including \$3,000, the monthly rate shall be reduced 6 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than \$4. No dependency and indemnity compensation shall be paid to a parent whose annual income exceeds \$3,000.]

The monthly rate of dependency and indemnity compensation shall be \$133 reduced by—	For each \$1 of annual income such parent	
	Which is more than—	But not more than—
\$0.00	0	\$800
.02	\$800	1,100
.04	1,100	1,600
.05	1,600	2,400
.06	2,400	3,300.

(2) *In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5.*

(3) *In no case may dependency and indemnity compensation be paid under this subsection to any parent if the annual income of such parent exceeds \$3,300.*

* * * * *

(d)(i) If there are two parents who are living together, or if a parent has remarried and is living with his or her spouse, dependency and indemnity compensation shall be paid to each [such] parent

according to the following formula: [If the total combined annual income is \$1,000 or less, the monthly rate of dependency and indemnity compensation payable to each parent shall be \$83. For each \$1 of annual income in excess of \$1,000 up to and including \$1,100; the monthly rate shall be reduced 1 cent; for each \$1 of annual income in excess of \$1,100 up to and including \$2,500, the monthly rate shall be reduced 2 cents; for each \$1 of annual income in excess of \$2,500 up to and including \$3,500, the monthly rate shall be reduced 3 cents; and for each \$1 of annual income in excess of \$3,500 up to and including \$4,200, the monthly rate shall be reduced 4 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than \$4. No dependency and indemnity compensation shall be paid to either parent if the total combined annual income exceeds \$4,200.]

The monthly rate of dependency and indemnity compensation shall be \$90 reduced by—	For each \$1 of total combined annual income	
	Which is more than—	But not more than—
\$0.00	0	\$1,000
.02	1,000	2,300
.03	2,300	3,300
.04	3,300	4,500.

(2) *In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5.*

(3) *In no case may dependency and indemnity compensation be paid under this subsection to either parent if the total combined annual income exceeds \$4,500.*

* * * * *

(h) The monthly rate of dependency and indemnity compensation payable to a parent shall be increased by [\$64] \$69 if such parent is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

* * * * *

§ 521. Veterans of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era

(a) * * *

(b)(1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his or her spouse)

and has no child, pension shall be paid to the veteran according to the following formula: [If annual income is \$300 or less, the monthly rate of pension shall be \$160. For each \$1 of annual income in excess of \$300 up to and including \$500, the monthly rate shall be reduced 3 cents; for each \$1 annual income in excess of \$500 up to and including \$900, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$900 up to and including \$1,500, the monthly rate shall be reduced 5 cents; for each \$1 of annual income in excess of \$1,500 up to and including \$1,900, the monthly rate shall be reduced 6 cents; for each \$1 of annual income in excess of \$1,900 up to and including \$2,300, the monthly rate shall be reduced 7 cents; and for each \$1 of annual income in excess of \$2,300 up to and including \$3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of pension be less than \$5. No pension shall be paid if annual income exceeds \$3,000.]

The monthly rate of pension shall be \$173 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.03	\$300	500
.04	500	700
.05	700	1,200
.06	1,200	1,700
.07	1,700	2,000
.08	2,000	3,300.

(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5.

(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$3,300.

(c) (1) If the veteran is married and living with or reasonably contributing to the support of his or her spouse, or has a child or children, pension shall be paid to the veteran according to the following formula: [If annual income is \$500 or less, the monthly rate of pension shall be \$172 for a veteran and one dependent, \$177 for a veteran and two dependents, and \$182 for three or more dependents. For each \$1 of annual income in excess of \$500 up to and including \$700, the monthly rate shall be reduced 2 cents; for each \$1 of annual income in excess of \$700 up to and including \$1,800, the monthly rate shall be reduced 3 cents; for each \$1 of annual income in excess of \$1,800 up to and including \$3,000, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$3,000 up to and including \$3,500, the monthly rate shall be reduced 5 cents; for each \$1 of annual income in excess of \$3,500 up to and including \$3,800, the monthly rate shall be reduced 6 cents; for each \$1 of annual income in excess of \$3,800 up to and including \$4,000, the monthly rate shall be

reduced 7 cents; and for each \$1 of annual income in excess of \$4,000 up to and including \$4,200, the monthly rate shall be reduced 8 cents. No pension shall be paid if annual income exceeds \$4,200.]

The monthly rate of pension for a veteran shall be— \$186 if he or she has one dependent; \$191 if he or she has two dependents; and \$196 if he or she has three or more dependents; reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$500
.02	\$500	700
.03	700	1,300
.04	1,300	2,800
.05	2,800	3,200
.06	3,200	3,800
.08	3,800	4,500.

(2) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$4,500.

(3) In no case may the amount of pension payable to any veteran under this subsection be less than \$5.

(d) If the veteran is in need of regular aid and attendance, the monthly rate payable to him under subsection (b) or (c) shall be increased by [§123] \$133.

(e) If the veteran has a disability rated as permanent and total, and (1) has additional disability or disabilities independently ratable at 60 per centum or more, or, (2) by reason of his disability or disabilities, is permanently housebound but does not qualify for the aid and attendance rate under subsection (d) of this section, the monthly rate payable to him under subsection (b) or (c) shall be increased by [§49] \$53.

* * * * *

§ 541. Widows of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans

(a) * * *

(b)(1) If there is no child, pension shall be paid to the widow or widower according to the following formula: [If annual income is

\$300 or less, the monthly rate of pension shall be \$108. For each \$1 of annual income in excess of \$300 up to and including \$600, the monthly rate shall be reduced 1 cent; for each \$1 of annual income in excess of \$600 up to and including \$900, the monthly rate shall be reduced 3 cents; for each \$1 of annual income in excess of \$900 up to and including \$2,100, the monthly rate shall be reduced 4 cents; and for each \$1 of annual income in excess of \$2,100 up to and including \$3,000, the monthly rate shall be reduced 5 cents; but in no event shall the monthly rate of pension be less than \$5. No pension shall be paid if annual income exceeds \$3,000.]

The monthly rate of pension shall be \$117 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.01	\$300	600
.03	600	900
.04	900	1,500
.05	1,500	2,700
.06	2,700	3,300.

(2) In no case may the amount of pension payable to any widow or widower under this subsection be less than \$5.

(3) In no case may pension be paid under this subsection to any widow or widower if the annual income of such widow or widower exceeds \$3,300.

(c)(1) If there is a widow or widower and one child, pension shall be paid to the widow or widower according to the following formula: [If annual income is \$700 or less, the monthly rate of pension shall be \$128. For each \$1 of annual income in excess of \$700 up to and including \$1,100, the monthly rate shall be reduced 1 cent; for each \$1 of annual income in excess of \$1,100 up to and including \$2,100, the monthly rate shall be reduced 2 cents; and for each \$1 of annual income in excess of \$2,100 up to and including \$3,000, the monthly rate shall be reduced 3 cents; and for each \$1 of annual income in excess of \$3,000 up to and including \$4,200, the monthly rate shall be reduced 4 cents. Whenever the monthly rate payable to the widow under the foregoing formula is less than the amount which would be payable to the child under section 542 of this title if the widow were not entitled, the widow will be paid at the child's rate. No pension shall be paid if the annual income exceeds \$4,200.]

The monthly rate of pension shall be \$173 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$700
.01	\$700	1,100
.02	1,100	1,800
.03	1,800	2,700
.04	2,700	3,500
.05	3,500	4,500.

(2) In no case may pension be paid under this subsection to any widow or widower if the annual income of such widow or widower exceeds \$4,500.

(3) Whenever the monthly rate payable to any widow or widower under paragraph (1) of this subsection is less than the amount which would be payable to the child under section 542 of this title if the widow or widower were not entitled, the widow or widower shall be paid at the child's rate.

(d) If there is a widow and more than one child, the monthly rate payable under subsection (c) shall be increased by **[\$20]** \$22 for each additional child.

* * * * *

§ 542. Children of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans

(a) Whenever there is no widow entitled to pension under section 541 of this title, the Administrator shall pay to the child or children of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the monthly rate of **[\$49]** \$53 for one child, and **[\$20]** \$22 for each additional child.

(b) Pension prescribed by this section shall be paid to eligible children in equal shares.

(c) No pension shall be paid under this section to a child whose annual income, excluding earned income, exceeds **[\$2,400]** \$2,700.

* * * * *

§ 544. Aid and attendance allowance

If any widow is entitled to pension under this subchapter and is in need of regular aid and attendance, the monthly rate of pension payable to her shall be increased by **[\$64]** \$69.

* * * * *

SECTION 4 OF PUBLIC LAW 90-275

Sec. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be **[\$1,600]** **\$2,900** and **[\$2,900]** **\$4,200**, instead of **[\$1,100]** **\$2,600** and **[\$2,700]** **\$3,900**, respectively.



(3) In no case may pension be paid under this subsection to any widow or widower if the annual income of such widow or widower exceeds \$4,200.
(2) Whenever the monthly rate payable to any widow or widower under paragraph (1) of this subsection is less than the amount which would be payable to the child under section 512 of this title if the widow or widower were not entitled, the widow or widower shall be paid at the child's rate.
(b) If there is a widow and more than one child, the monthly rate payable under subsection (a) shall be increased by **[\$20]** **\$28** for each additional child.

§ 512. Children of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans.
(a) Whenever there is no widow entitled to pension under section 511 of this title, the administrator shall pay to the child or children of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era who met the service requirements of section 507 of this title, or who at the time of his death was receiving or entitled to receive compensation or retirement pay for a service-connected disability incurred at the training, the un-
[\$20] **\$28** for one child, and **[\$30]** **\$38** for each additional child.
(b) Pension prescribed by this section shall be paid to eligible children in equal shares, and each recipient shall be treated as if he were a child.
(c) No pension shall be paid under this section to a child whose annual income, excluding earned income, exceeds **[\$2,900]** **\$4,200**.
§ 513. Aid and attendance allowance.
If any widow is entitled to pension under this subchapter, and is not dependent and attendant, the monthly rate of pension payable to her shall be increased by **[\$60]** **\$78**.

94TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 94-568

VETERANS AND SURVIVORS PENSION INTERIM
ADJUSTMENT ACT OF 1975

REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES SENATE

TO ACCOMPANY

H.R. 10355



DECEMBER 16 (legislative day, DECEMBER 15), 1975.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1975

VETERANS AND SURVIVORS PENSION INTERIM
ADJUSTMENT ACT OF 1975

DECEMBER 16 (legislative day, DECEMBER 15), 1975.—Ordered to be printed

Mr. HARTKE, from the Committee on Veterans' Affairs, submitted
the following

REPORT

[To accompany H.R. 10355]

The Committee on Veterans' Affairs, to which was referred the bill (H.R. 10355) to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute, and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENT

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Veterans and Survivors Pension Interim Adjustment Act of 1975."

TITLE I—INTERIM ADJUSTMENTS IN CURRENT STATUTORY
PENSION PROVISIONS

SEC. 101. Effective January 1, 1976, title 38, United States Code, is amended as follows:

(1) chapter 1 of title 38, United States Code, is amended—

(A) by striking out in paragraph (3) of section 101 "widow", "woman", "wife", "his", "him", "man", and "herself" each time they appear and inserting in lieu thereof "surviving spouse", "person of the opposite sex", "spouse", "the veteran's", "the veteran", "person", and "himself or herself", respectively;

(B) by striking out in the second sentence of paragraph (4) of section 101 "his support" and "his spouse" and inserting in lieu thereof "the person's support" and "the veteran's spouse", respectively;

(1)

COMMITTEE ON VETERANS' AFFAIRS

VANCE HARTKE, Indiana, *Chairman*

HERMAN E. TALMADGE, Georgia	CLIFFORD P. HANSEN, Wyoming
JENNINGS RANDOLPH, West Virginia	STROM THURMOND, South Carolina
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VANCE HARTKE, Indiana	

(ii)

(C) by striking out in paragraph (5) of section 101 "his" and inserting in lieu thereof "the veteran's";

(D) by striking out in paragraph (13) of section 101 "widow" and inserting in lieu thereof "surviving spouse";

(E) by striking out in paragraph (14) of section 101 "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(F) by striking out in paragraph (15) of section 101 "widow" and inserting in lieu thereof "surviving spouse"; and

(G) by adding at the end of section 101 the following new paragraph:
 "(31) The term 'spouse' means a person of the opposite sex who is a wife or husband and the term 'surviving spouse' means a person of the opposite sex who is a widow or widower."; and

(2) chapter 15 of title 38, United States Code, is amended—

(A) by inserting in subsection (a) of section 503 "and" after the semicolon at the end of clause (16) of such subsection;

(B) by striking out in subsection (a) of section 541 "widow" and inserting in lieu thereof "surviving spouse" and by striking out "his" preceding the word "death";

(C) by striking out in subsection (e) of section 541 the language preceding clause (1) of such subsection and inserting in lieu thereof "No pension shall be paid to a surviving spouse of a veteran under this section unless the spouse was married to the veteran—" and by amending subclause (D) of clause (1) of such subsection, to read as follows: "(D) May 8, 1965, in the case of a surviving spouse of a Vietnam era veteran; or";

(D) by striking out in section 542 "widow" and inserting in lieu thereof "surviving spouse" and by striking out "his" preceding the word "death";

(E) by striking out in section 543 "widow" and inserting in lieu thereof "surviving spouse";

(F) by repealing sections 510 and 531;

(G) by striking out in the heading of subchapter III "Widows" and inserting in lieu thereof "Surviving Spouses";

(H) by striking out in the catchline of section 541 "Widows" and inserting in lieu thereof "Surviving Spouses";

(I) by striking out in the subheading of subchapter III immediately following section 543 "WIDOWS" and inserting in lieu thereof "SURVIVING SPOUSES"; and

(J) by amending the table of sections at the beginning of such chapter 15—

(i) by striking out

"510. Confederate forces veterans.";

(ii) by striking out

"SUBCHAPTER III—PENSIONS TO WIDOWS AND CHILDREN"
 and inserting in lieu thereof

"SUBCHAPTER III—PENSIONS TO SURVIVING SPOUSES AND CHILDREN";

(iii) by striking out

"531. Widows of Mexican War veterans.";

(iv) by striking out

"541. Widows of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans."

and inserting in lieu thereof

"541. Surviving spouses of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans.";

and

(v) by striking out

"Widows of Veterans of All Periods of War"

and inserting in lieu thereof

"Surviving Spouses of Veterans of All Periods of War".

Sec. 102. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 521 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:

"(b) (1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's spouse) and has no child, pension shall be paid to the veteran according to the following formula:

"The monthly rate of pension shall be \$173 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.03	\$300	500
.04	500	700
.05	700	1,200
.06	1,200	1,700
.07	1,700	2,000
.08	2,000	3,300

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5 monthly.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$3,300.

"(c) (1) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child or children, pension shall be paid to the veteran according to the following formula:

"The monthly rate of pension for a veteran shall be— \$186 if such veteran has one such dependent; \$191 if such veteran has two such dependents; and \$196 if such veteran has three or more such dependents; reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$500
.02	\$500	700
.03	700	1,300
.04	1,300	2,800
.05	2,800	3,200
.06	3,200	3,800
.08	3,800	4,500

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5 monthly.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$4,500.";

(2) by striking out in subsection (d) "him" and "\$123" and inserting in lieu thereof "such veteran" and "\$183", respectively; and

(3) by striking out in subsection (e) "his", "him", and "\$49" and inserting in lieu thereof "such veteran's", "such veteran", and "\$53", respectively.

Sec. 103. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 541 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:

"(b) (1) If there is no child, pension shall be paid to the surviving spouse according to the following formula:

"The monthly rate of pension shall be \$117 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.01	\$300	600
.03	600	900
.04	900	1,500
.05	1,500	2,700
.06	2,700	3,300

"(2) In no case may the amount of pension payable to any surviving spouse under this subsection be less than \$5 monthly.

"(3) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds \$3,300.

"(c) (1) If there is a surviving spouse and one child, pension shall be paid to the surviving spouse according to the following formula:

"The monthly rate of pension shall be \$139 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$700
.01	\$700	1,100
.02	1,100	1,800
.03	1,800	2,700
.04	2,700	3,500
.05	3,500	4,500

"(2) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds \$4,500.

"(3) Whenever the monthly rate payable to any surviving spouse under paragraph (1) of this subsection is less than the amount which would be payable for one child under section 542 of this title if the surviving spouse were not entitled, the surviving spouse shall be paid at the child's rate." and

(2) by striking out in subsection (d) "widow" and "\$20" and inserting in lieu thereof "surviving spouse" and "\$22", respectively.

SEC. 104. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 542 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "\$49" and "\$20" and inserting in lieu thereof "\$53" and "\$22", respectively; and

(2) by striking out in subsection (c) "\$2,400" and inserting in lieu thereof "\$2,700".

SEC. 105. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 544 of title 38, United States Code, is amended to read as follows:

§ 544. Aid and attendance allowance

"If any surviving spouse is entitled to pension under this subchapter and is in need of regular aid and attendance, the monthly rate of pension payable to the surviving spouse shall be increased by \$69."

SEC. 106. Effective January 1, 1976, chapter 15 of title 38, United States Code, is amended—

(1) by striking out in section 501(2) "him" and inserting in lieu thereof "such veteran";

(2) by striking out in subsections (a), (b), and (c) of section 502 "he" and "his" each time they appear and inserting in lieu thereof "such person" and "such veteran's", respectively;

(3) by striking out in section 503(a) (7) "wife", "his", and "widow" and inserting in lieu thereof "spouse", "such veteran's", and "surviving spouse", respectively;

(4) by striking out in subclauses (A), (B), and (C) of section 503(a) (7) "his" each time it appears and inserting in lieu thereof "such veteran's";

(5) by striking out in subclauses (A) and (B) of section 503(a) (9) "his", "widow", and "wife" each time they appear and inserting in lieu thereof "such veteran's", "surviving spouse", and "spouse", respectively;

(6) by striking out in section 503(a) (14) "his widow" and inserting in lieu thereof "such veteran's surviving spouse";

(7) by striking out in section 503(a) (16) "his" and inserting in lieu thereof "such employee's";

(8) by striking out in section 503(c) "widow" and inserting in lieu thereof "surviving spouse";

(9) by striking out in section 505(a) "his" each time it appears and inserting in lieu thereof "such individual's";

(10) by striking out in section 505(b) "his wife" and inserting in lieu thereof "such veteran's spouse";

(11) by striking out in section 505(c), including clauses (1) and (2), "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(12) by striking out in section 506(a) (1) "he" and inserting in lieu thereof "the Administrator";

(13) by striking out in section 506(a) (2) "him", "he", and "his" each time they appear and inserting in lieu thereof "the Administrator", "such person", and "such person's", respectively.

(14) by striking out in section 506(a) (3) "his" each time it appears and inserting in lieu thereof "such person's";

(15) by striking out in section 507 "in his discretion,"; by striking out in such section "his wife" and inserting in lieu thereof "such veteran's spouse"; and by striking out in such section "wife" the second time it appears and inserting in lieu thereof "spouse";

(16) by striking out in subsections (b) and (c) of section 511 "he" each time it appears and inserting in lieu thereof "such veteran";

(17) by striking out in subsections (a) and (b) of section 512 "he" each time it appears and inserting in lieu thereof "such veteran";

(18) by striking out in section 521(g) "he" and inserting in lieu thereof "such veteran";

(19) by striking out in section 523(b) "him" and inserting in lieu thereof "such veteran";

(20) by striking out in section 532(a) "widow", "she", "wife", and "his" each time they appear and inserting in lieu thereof "surviving spouse", "such surviving spouse", "spouse", and "such veteran's", respectively;

(21) by striking out in subsections (b) and (c) of section 532 "widow" and "he" each time they appear and inserting in lieu thereof "surviving spouse" and "such veteran", respectively;

(22) by striking out in section 532(d) "widow", "she", and "him" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(23) by striking out in the catchline of section 532 "Widows" and inserting in lieu thereof "Surviving spouses";

(24) by striking out in the table of sections at the beginning of such chapter 15

"532. Widows of Civil War veterans."

and inserting in lieu thereof

"532. Surviving spouses of Civil War veterans.;"

(25) by striking out in section 533 "widow" and inserting in lieu thereof "surviving spouse";

(26) by striking out in section 534(a) "widow", "she", "wife", and "his" each time they appear and inserting in lieu thereof "surviving spouse", "such surviving spouse", "spouse", and "such veteran's", respectively;

(27) by striking out in section 534(b) "widow" and inserting in lieu thereof "surviving spouse";

(28) by striking out in section 534(c) "widow", "she", and "him" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(29) by striking out in the catchline of section 534 "Widows" and inserting in lieu thereof "Surviving spouses";

(30) by striking out in the table of sections at the beginning of such chapter 15

"534. Widows of Indian War veterans."

and inserting in lieu thereof

"534. Surviving spouses of Indian War veterans.;"

(31) by striking out in section 535 "widow" and inserting in lieu thereof "surviving spouse";

(32) by striking out in section 536(a) "widow", "she", "wife", and "his" and inserting in lieu thereof "surviving spouse", "such surviving spouse", "spouse", and "such veteran's", respectively;

(33) by striking out in subsections (b) and (c) of section 536 "widow", "she", and "him" each time they appear and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(34) by striking out in section 536(d) (1) "widow", "she", and "widows" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "surviving spouses" respectively;

(35) by striking out in section 536(d) (2) "widow" and inserting in lieu thereof "surviving spouse";

(36) by striking out in clauses (A) and (B) of section 536(d) (2) "her" and "widow" each time they appear and inserting in lieu thereof "such surviving spouse" and "surviving spouse", respectively;

(37) by striking out in the catchline of section 536 "Widows" and inserting in lieu thereof "Surviving spouses";

(38) by striking out in the table of sections at the beginning of such chapter 15

"536. Widows of Spanish-American War veterans."
and inserting in lieu thereof

"536 Surviving spouses of Spanish-American War veterans,"

(39) by striking out in section 537 "widow" and inserting in lieu thereof "surviving spouse";

(40) by striking out in subclauses (A), (B), and (C) of section 541(e) (1) "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(41) by striking out in section 560(b) "himself" and "his" and inserting in lieu thereof "such person" and "such person's", respectively;

(42) by striking out in subsections (a) and (b) of section 561 "his", "him", and "he" each time they appear and inserting in lieu thereof "such person's", "such person", and "such person", respectively;

(43) by striking out in section 561(c) "by him";

(44) by striking out in section 562(a) "him" and inserting in lieu thereof "the Administrator"; and

(45) by striking out in subsections (b) and (d) of section 562 "he" each time it appears and inserting in lieu thereof "such person".

Sec. 107. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 4 of Public Law 90-275 (82 Stat. 68) is amended to read as follows:

"Sec. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be \$2,900 and \$4,200, instead of \$2,600 and \$3,900, respectively."

TITLE II—INTERIM ADJUSTMENTS IN CURRENT STATUTORY PROVISIONS RELATING TO DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

Sec. 201. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 415 of title 38, United States Code, is amended—

(1) by redesignating paragraph (2) of subsection (b) as paragraph (4) of subsection (b) and by striking out in the redesignated paragraph (4) of subsection (b) "he", "him", and "his" each time they appear and inserting in lieu thereof "such parent", "such parent", and "such parent's", respectively;

(2) by amending paragraph (1) of subsection (b) to read as follows:

"(b) (1) Except as provided in paragraph (4) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to the parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be \$133 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$800
.03	\$800	1,000
.04	1,000	1,200
.05	1,200	1,500
.06	1,500	1,700
.08	1,700	3,300

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

"(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds \$3,300."

(3) by amending subsections (c) and (d) to read as follows:

"(c) (1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be \$93 reduced by—"	For each \$1 of annual income of such parent	
	Which is more than—	But not more than—
\$0.00	0	\$800
.02	\$800	1,100
.04	1,100	1,600
.05	1,600	2,400
.06	2,400	3,300

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

"(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds \$3,800.

"(d) (1) If there are two parents who are living together, or if a parent has remarried and is living with such parent's spouse, dependency and indemnity compensation shall be paid to each such parent according to the following formula:

"The monthly rate of dependency and indemnity compensation shall be \$90 reduced by—"	For each \$1 of the total combined annual income	
	Which is more than—	But not more than—
\$0.00	0	\$1,000
.02	\$1,000	2,300
.03	2,300	3,300
.04	3,300	4,500

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to a parent if the total combined annual income of the parent and such parent's spouse exceeds \$4,500;"

(4) by striking out in subsection (e) "him" each time it appears and inserting in lieu thereof "the Administrator";

(5) by striking out in subsection (f) "he" and inserting in lieu thereof "the Administrator";

(6) by striking out in subsection (g) (1) (J) (ii) "his" and inserting in lieu thereof "such veteran's"; and

(7) by striking out in subsection (h) "\$64" and inserting in lieu thereof "\$69".

Sec. 202. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 322 of title 38, United States Code, is amended by striking out in subsection (b) "\$64" and inserting in lieu thereof "\$69".

INTRODUCTION

Restructuring the Veterans' Administration's need-based pension program for veterans and survivors in order to more fully accomplish national objectives has been an area of concern for the committee for some period of time. In particular the committee has been examining a number of proposals to improve the system which have been formally and informally advanced since June 1973. At that time the Veterans' Administration testified that the current system contained "inconsist-

encies, inequities and anomalies, which cannot be corrected unless the entire framework of the program is restructured". Following extensive investigation, congressional hearings and studies conducted by the Veterans' Administration (discussed *infra*), Chairman Hartke, joined by members of the Committee on Veterans' Affairs, and other Senators, totaling 32 in all, introduced S. 2635, the Veterans and Survivors Pension Reform Act.

The Subcommittee on Compensation and Pensions chaired by Senator Talmadge, conducted hearings on November 18 and December 2, 1975. These hearings concerned S. 2635, the Veterans and Survivors Pension Reform Act as well as S. 880, the World War I Veterans Pension bill, S. 1406, the so-called "Social Security Disregard" bill and H.R. 10355, the House-passed pension bill.

Testifying for the administration was Rufus Wilson, Chief Benefits Director of the Veterans' Administration. Although supporting the basic approach adopted by the committee, he testified that because of the Administration's current policy of limiting increases to 5 percent the Administration was "unable to endorse the committee's pension reform proposals at this time."

The subcommittee also received testimony from The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans and the Paralyzed Veterans of America. Also appearing and testifying were representatives of the Widows of World War I, and the Veterans of World War I, and the National Association of Concerned Veterans.

In addition to examining testimony presented at these hearings, and reviewing testimony presented at pension hearings held in 1973 and 1974, the committee gave close attention to voluminous documents and materials submitted to it by the Veterans' Administration during the past 2 years. These included numerous replies to committee memoranda as well as the Veterans' Administration Study of the Needs of Older Veterans and Widows, which was submitted to Congress July 15, 1975, pursuant to section 8 of Public Law 93-527.

Finally, the committee reviewed and gave consideration to several important historical documents including the President's Commission on Veterans' Pension (Bradley Commission), issued in April, 1956, and the Report of the U.S. Veterans Advisory Commission issued in 1968.

The full committee met in open executive session on December 9, 1975 to consider S. 2635. After the addition of several amendments of a minor and clarifying nature, the committee unanimously approved and ordered reported S. 2635, with an amendment in the nature of a substitute.

On December 15, the Senate considered and unanimously passed S. 2635, as reported by the Committee.

Subsequent discussion with members of the House Committee on Veterans' Affairs has revealed, however, that they are unable to consider and act upon the restructured pension program contained in the Senate-passed measure, prior to the upcoming congressional recess. At the same time there is great concern by Members of both the Senate and the House about those veterans and widows who are scheduled

to sustain pension reductions on January 1, 1976. Thus, in order to allow adequate time to consider the new pension system contained in S. 2635 as passed by the Senate and to further permit action in a timely manner with respect to January 1, 1976 scheduled pension reductions, the committee recommends the adoption of H.R. 10355, as reported, which contains essentially the provisions of titles II and IV of S. 2635, previously passed by the Senate. These provisions provide for an average 8 percent increase in the pension rates and a \$300 increase in the maximum annual income limitations in the present pension program, which both houses have previously agreed to. These increases would become effective January 1, 1976, and would continue in effect for the remainder of the fiscal year and transition quarter while the House and the Senate consider pension restructuring and agree upon a new permanent program for fiscal year 1977 and thereafter.

BACKGROUND AND DISCUSSION

Current Pension Benefits and Characteristics of Pensioners

Under current law, a veteran may be eligible for pension benefits if:

First, he served in the armed forces at least 90 days, including at least 1 day of service during wartime;

Second, his income does not exceed the limits specified in the law—currently \$3,000 if the veteran is single and \$4,200 if he has a dependent;

Third, he is permanently and totally disabled (for the purposes of the pension law, veterans age 65 or older are defined as totally disabled); and

Fourth, his net worth is not excessive as determined by the Veterans' Administration.

Widows and children of deceased wartime veterans are also eligible for pension benefits if they qualify on the basis of need.

As provided by Public Law 93-527, for an eligible veteran without dependents, the monthly pension rates range from \$5 to \$160 with a limitation on countable annual income of \$3,000. Monthly rates of \$14 to \$172 are provided for veterans with dependents where the annual countable income does not exceed \$4,200. Widows with no children are subject to the same income limitations as veterans alone although the pension rates vary from \$5 to \$108. The \$4,200 annual income limitation for veterans with dependents also applies to widows with children. The rates for widows with one child range from \$49 to \$128; the applicable rate is increased by \$20 per month for each child in excess of one.

Currently, there are approximately 2 million veterans and widows receiving pension of whom 1,000,963 are veterans and the remainder are their widows. The present cost of the non-service-connected pension program is approximately \$2.8 billion a year. The following table shows the distribution of all active compensation, dependency, and indemnity compensation and pension cash as of September 1975:

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES, ALL WARS AND REGULAR ESTABLISHMENT, MONTH OF SEPTEMBER, 1975

Entitlement	Disability, total cases	Death, total cases	Death beneficiaries			
			Total	Widows	Children	Parents
Total	3,235,722	1,622,840	2,218,466	1,179,628	866,157	172,681
Service connected	2,221,514	368,676	491,961	211,012	108,268	172,681
Compensation.....	2,221,514	90,225	101,539	206	37	101,296
Dependency and indemnity compensation.....		273,519	380,004	206,202	108,030	65,772
Dependency and indemnity compensation and compensation.....		4,932	10,418	4,604	201	5,613
Non-service-connected	1,013,824	1,254,135	1,726,475	968,600	757,875	
Public Law 86-211.....	911,448	1,159,480	1,630,655	875,239	755,416	
Prior law.....	102,376	94,655	95,820	93,361	2,459	
Special acts.....	41	29	30	16	14	
Retired emergency officers.....	342					
Retired Reserve officers.....	1					
World War II	1,888,830	726,253	1,053,447	433,324	508,656	111,467
Service connected	1,303,265	191,189	222,256	95,073	15,716	111,467
Compensation.....	1,303,265	71,767	79,788	112	16	79,660
Dependency and indemnity compensation.....		115,768	134,833	91,499	15,611	27,723
Dependency and indemnity compensation and compensation.....		3,654	7,635	3,462	89	4,084
Non-service-connected	585,565	535,064	831,191	338,251	492,940	
Public Law 86-211.....	576,344	532,032	827,950	335,237	492,722	
Prior law.....	9,221	3,032	3,232	3,014	218	
World War I	419,194	614,648	630,385	602,722	27,283	380
Service connected	53,519	34,880	35,496	34,027	1,089	380
Compensation.....	53,519	186	198	55	1	142
Dependency and indemnity compensation.....		34,690	35,290	33,968	1,088	234
Dependency and indemnity compensation and compensation.....		4	8	4		4
Non-service-connected	365,332	579,768	594,889	568,695	26,194	
Public Law 86-211.....	273,711	507,486	521,873	496,488	25,385	
Prior law.....	91,621	72,282	73,016	72,207	809	
Special acts.....	1					
Retired emergency officers.....	342					
Korean conflict	293,663	136,363	287,116	49,252	213,544	24,320
Service connected	239,869	39,381	51,373	18,728	8,325	24,320
Compensation.....	239,869	14,798	17,535	14	2	17,519
Dependency and indemnity compensation.....		23,620	31,777	17,841	8,294	5,642
Dependency and indemnity compensation and compensation.....		963	2,061	873	29	1,159
Non-service-connected	53,794	96,982	235,743	30,524	205,219	
Public Law 86-211.....	52,779	96,914	235,651	30,458	205,193	
Prior law.....	1,015	68	92	66	26	
Vietnam war	438,407	72,344	153,528	38,372	93,135	22,021
Service connected	430,561	54,852	114,032	30,861	61,150	22,021
Compensation.....	430,561	26	38	9	14	15
Dependency and indemnity compensation.....		54,802	113,915	30,835	61,100	21,980
Dependency and indemnity compensation and compensation.....		24	79	17	36	26
Non-service-connected	7,846	17,492	39,496	7,511	31,985	
Public Law 86-211.....	7,846	17,492	39,496	7,511	31,985	
Regular establishment	194,324	48,122	68,547	32,095	21,959	14,493
Service connected	194,283	48,110	68,535	32,083	21,959	14,493
Compensation.....	194,283	3,448	3,980	16	4	3,960
Dependency and indemnity compensation.....		44,375	63,920	31,819	21,908	10,193
Dependency and indemnity compensation and compensation.....		287	635	248	47	340
Special acts.....	40	12	12			
Retired Reserve officers.....	1					
Spanish-American War	929	24,078	24,394	23,048	1,346	

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES, ALL WARS AND REGULAR ESTABLISHMENT, MONTH OF SEPTEMBER, 1975—Continued

Entitlement	Disability, total cases	Death, total cases	Death beneficiaries			
			Total	Widows	Children	Parents
Service connected	9	253	258	236	22	
Compensation.....	9					
Dependency and indemnity compensation.....		253	258	236	22	
Non-service-connected	920	23,816	24,127	22,809	1,318	
Public Law 86-211.....	401	4,989	5,100	4,985	115	
Prior law.....	519	18,827	19,027	17,824	1,203	
Special acts.....		9	9	3	6	
Mexican Border Service	375	569	578	562	16	
Service connected	8	2	2	2		
Compensation.....	8					
Dependency and indemnity compensation.....		2	2	2		
Non-service-connected	367	567	576	560	16	
Public Law 86-211.....	367	567	576	560	16	
Indian wars		78	79	64	15	
Service connected		1	1		1	
Dependency and indemnity compensation.....		1	1		1	
Non-service-connected		76	77	63	14	
Prior law.....		76	77	63	14	
Special acts.....		1	1	1		
Civil War		385	392	189	203	
Service-connected		8	8	2	6	
Dependency and indemnity compensation.....		8	8	2	6	
Non-service-connected		370	376	187	189	
Prior law.....		370	376	187	189	
Special acts.....		7	8		8	

Source: Reports and Statistics Service Office of Controller, Oct. 6, 1975.

The following tables illustrate the historical development of both current law pensions and protected or "old law" pensions for veterans:

TABLE 2.—HISTORICAL DEVELOPMENT OF PROTECTED LAW PENSION FOR VETERANS

Law and effective date	Income limits		Rates of pension				Aid and attendance	House-bound
	Single	With dependent	Single	1 dependent	2 dependents	3 dependents		
WW VA, July 1, 1933	\$1,000	\$2,500	\$30	\$30	\$30	\$30		
Public Law 77-601, June 10, 1942	1,000	2,500	\$40	\$40	\$40	\$40		
Public Law 78-313, May 27, 1944	1,000	2,500	\$50, age 65 or after 10 yr \$60.					
Public Law 79-662, Sept. 1, 1946	1,000	2,500	\$60, age 65 or after 10 yr \$72.					
Public Law 82-149, Nov. 1, 1961	1,000	2,500	\$60, age 65 or after 10 yr \$72.	\$120.00				
Public Law 82-356, Public Law 82-357, July 1, 1952	1,400	2,700	\$63, age 65 or after 10 yr \$75.	129.00				
Public Law 83-698, Oct. 1, 1964	1,400	2,700	\$66.15, age 65 or \$78.75 10 yr \$78.75.	135.45				
Public Law 90-77, Oct. 1, 1967	1,400	2,700	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100			
Public Law 90-275, Jan. 1, 1969	1,600	2,900	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100			
Public Law 91-588, Jan. 1, 1971	1,900	3,200	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100			
Public Law 92-198, Jan. 1, 1972	2,200	3,500	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100			
Public Law 93-527, Jan. 1, 1975	2,600	3,900	\$66.15, age 65 or after 10 yr \$78.75.	135.45	100			

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TABLE 3.—HISTORICAL DEVELOPMENT OF CURRENT LAW PENSION FOR VETERANS

Law and effective date	Income limits		Rates of pension				Aid and attendance	House-bound
	Single	With dependent	Single	1 dependent	2 dependents	3 dependents		
Public Law 88-211, July 1, 1960	\$1,800	\$3,000	\$85 down to \$40	\$90 down to \$45	\$95 down to \$45	\$100 down to \$45	\$70 added	
Public Law 88-664, Jan. 1, 1965	1,800	3,000	\$100 down to \$43	\$105 down to \$48	\$110 down to \$48	\$115 down to \$48	\$100 added	\$35 added.
Public Law 90-77, Oct. 1, 1967	1,800	3,000	\$104 down to \$45	\$109 down to \$50	\$114 down to \$50	\$119 down to \$50	\$100 added	\$40 added.
Public Law 90-275, Apr. 1, 1968	2,000	3,200	\$110 down to \$29	\$120 down to \$34	\$125 down to \$34	\$130 down to \$34	\$100 added	\$40 added.
Public Law 91-588, Jan. 1, 1971	2,300	3,500	\$121 down to \$29	\$132 down to \$34	\$137 down to \$34	\$142 down to \$34	\$110 added	\$44 added.
Public Law 92-198, Jan. 1, 1972	2,600	3,800	\$130 down to \$22	\$140 down to \$33	\$145 down to \$38	\$150 down to \$43	\$110 added	\$44 added.
Public Law 93-177, Jan. 1, 1974	2,600	3,800	\$143 down to \$28	\$154 down to \$39	\$159 down to \$44	\$164 down to \$49	\$110 added	\$44 added.
Public Law 93-527, Jan. 1, 1975	3,000	4,200	\$160 down to \$5	\$172 down to \$14	\$177 down to \$19	\$182 down to \$24	\$123 added	\$49 added.

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Over 11 percent of veterans and 15 $\frac{1}{3}$ percent of pension widows reported no other outside income other than pension, thus leaving these recipients far below the poverty level. The annual income of pensioners (other than their pensions and excludable income is shown in the following tables:

TABLE 4.—ALL VETERANS ON PENSION ROLLS, APR. 20, 1975

Annual income not over—	Total			Annual income not over—	Total		
	Old law	New law	Old law		New law		
\$100	158,507	9,121	149,386	\$2,200	33,351	4,672	28,679
\$200	4,229	656	3,573	\$2,300	37,995	5,359	32,636
\$300	4,233	576	3,657	\$2,400	39,391	6,686	32,705
\$400	3,424	540	2,884	\$2,500	39,860	4,621	35,239
\$500	3,648	452	3,196	\$2,600	42,534	5,355	37,179
\$600	3,155	429	2,726	\$2,700	39,321	3,388	35,933
\$700	3,296	434	2,862	\$2,800	35,343	2,803	32,540
\$800	2,766	386	2,380	\$2,900	26,312	2,817	23,495
\$900	8,524	482	8,042	\$3,000	26,248	2,937	23,311
\$1,000	15,057	795	14,262	\$3,100	20,882	2,867	18,015
\$1,100	37,638	3,219	34,419	\$3,200	18,504	2,939	15,565
\$1,200	18,966	1,570	17,396	\$3,300	16,306	2,842	13,464
\$1,300	18,946	1,627	17,319	\$3,400	14,480	2,898	11,582
\$1,400	21,777	2,025	19,752	\$3,500	13,942	2,899	11,043
\$1,500	28,581	2,676	25,905	\$3,600	12,790	2,257	10,533
\$1,600	29,112	2,754	26,358	\$3,700	11,549	1,972	9,577
\$1,700	33,439	3,436	30,003	\$3,800	12,621	1,448	11,173
\$1,800	31,524	3,520	28,004	\$3,900 to \$4,200	28,919	1,115	27,804
\$1,900	34,390	4,183	30,207				
\$2,000	33,722	4,401	29,321				
\$2,100	35,604	5,028	30,576				
				Total	1,000,963	108,232	892,731

TABLE 5.—ALL WIDOWS ON PENSION ROLLS, APR. 20, 1975

Annual income not over—	Total			Annual income not over—	Total		
	Old law	New law	Old law		New law		
\$100	126,514	2,001	124,513	\$2,200	44,530	8,713	35,817
\$200	4,987	153	4,834	\$2,300	40,565	6,432	34,133
\$300	6,460	147	6,313	\$2,400	45,388	7,979	37,409
\$400	5,695	142	5,553	\$2,500	36,656	3,783	32,873
\$500	6,200	162	6,038	\$2,600	38,456	2,517	35,939
\$600	7,576	238	7,338	\$2,700	28,395	28	28,367
\$700	7,510	283	7,227	\$2,800	21,787	41	21,746
\$800	8,137	259	7,878	\$2,900	11,822	34	11,788
\$900	10,838	334	10,504	\$3,000	7,319	37	7,282
\$1,000	28,745	1,133	27,612	\$3,100	2,071	30	2,041
\$1,100	53,584	2,180	51,404	\$3,200	1,191	27	1,164
\$1,200	26,162	1,603	24,559	\$3,300	1,681	28	1,653
\$1,300	27,936	1,943	25,993	\$3,400	1,630	17	1,613
\$1,400	31,472	2,789	28,683	\$3,500	1,595	21	1,574
\$1,500	37,419	3,555	33,864	\$3,600	1,533	14	1,519
\$1,600	37,068	3,734	33,334	\$3,700	1,376	24	1,352
\$1,700	38,291	4,239	34,052	\$3,800	2,271	5	2,226
\$1,800	39,942	4,869	35,073	\$3,900 to \$4,200	4,588	15	4,573
\$1,900	42,548	5,652	36,896				
\$2,000	45,682	5,971	39,711				
\$2,100	45,185	6,209	38,976				
				Total	931,575	77,356	854,219

Scheduled Pension Reductions on January 1, 1976

A prospective pension reduction faces a majority of our veterans and widows.

Most pensioners are elderly—and the most common source of income available to them is social security. The average social security payment now received by veteran pensioners is reported as \$187 monthly. The figure for widows was placed at \$157 monthly. The following table

shows the number of non-service-connected pensioners receiving OASI benefits broken down by age grouping and average benefit:

TABLE 6.—NON-SERVICE-CONNECTED PENSIONERS WITH OLD AGE SURVIVORS INSURANCE

Veterans	Number with OASI ¹		Percent with OASI ¹	Average OASI ¹
	Total caseload	Survivors		
Less than 65	275,700	448,800	61.4	\$2,447
65 to 69	106,300	113,100	94.0	2,103
70 to 74	54,600	58,600	93.1	2,012
75 to 79	181,600	200,700	90.5	2,191
80 and over	165,600	196,700	84.2	2,061
Total veterans	783,800	1,017,900	77.0	2,229
Survivors	945,700	1,250,990	75.6	1,868

¹ Source: 1 percent sample of AIO's; March 1975.

Note: No age breakout is available for survivors.

Solely because of the 8 percent cost-of-living increases in social security benefits this year, on January 1, 1976, 1,327,176 veterans and widows, or approximately 53.1 percent of all pensioners, are scheduled to sustain annual pension reductions averaging \$98. Another 41,845 veterans and widows will be dropped from the pension rolls altogether. The number reduced or terminated by category and the average annual reduction in pension is shown in the following table:

TABLE 7.—ESTIMATED EFFECTS OF 8 PERCENT OASI INCREASE AS OF JAN. 1, 1976 (NEW LAW ONLY)

	Number reduced pension	Average annual reduction	Number termination
With no change in law:			
Veteran alone	225,567		6,602
Veteran with dependent	467,339	\$117	17,805
Widow alone	526,391	79	16,748
Widow with dependent	107,879	44	690
Total	1,327,176	98	41,845

Note: Data supplied by Veterans' Administration.

In addition, it is estimated that if there is no change in annual income limitations, another 12,000 pensioners under the old law provision program will be ineligible for that program.

Interim Pension Increases Effective January 1, 1976

As a result of changes in the Consumer Price Index and because of the large number of veterans and survivors who will sustain pension reductions on January 1, 1976, the bill provides for interim adjustments in the current program effective January 1, 1976.

An 8-percent increase in the rates payable and a \$300 increase in the maximum annual income limitations are provided for veterans and survivors in the current program.

Similarly, maximum annual income limitations for the "old law" pensioners are increased by \$300. An 8-percent increase in rates and increase in the annual income limitations are authorized also for needy parents receiving dependency and indemnity compensation.

Finally, aid and attendance allowances for "housebound" are increased by 8 percent. Thus, under the current program the maximum rate for a veteran without dependents would be increased from \$160 to \$173 a month, while the rate for a veteran with a dependent would be increased from \$172 to \$186. The following tables show the rates currently payable and those proposed.

TABLE 8.—PENSION PROPOSAL

Income not over	Veteran alone		Veteran and 1 dependent		Widow alone		Widow with 1 dependent	
	Current	Bill	Current	Bill	Current	Bill	Current	Bill
\$300	\$160	\$173			\$108	\$117		
\$400	157	170			107	116		
\$500	154	167	\$172	\$186	106	115		
\$600	150	163	170	184	105	114		
\$700	146	159	168	182	102	111		
\$800	142	154	165	179	99	108	\$128	\$139
\$900	138	149	162	176	96	105	127	138
\$1,000	133	144	159	173	92	101	126	137
\$1,100	128	139	156	170	88	97	125	136
\$1,200	123	134	153	167	84	93	124	135
\$1,300	118	128	150	164	80	89	122	133
\$1,400	113	122	147	160	76	85	120	131
\$1,500	108	116	144	156	72	81	118	129
\$1,600	102	110	141	152	68	76	116	127
\$1,700	96	104	138	148	64	71	114	125
\$1,800	90	97	135	144	60	66	112	123
\$1,900	84	90	131	140	56	61	110	121
\$2,000	77	83	127	136	52	56	108	118
\$2,100	70	75	123	132	48	51	106	115
\$2,200	63	67	119	128	43	46	104	112
\$2,300	56	59	115	124	38	41	101	109
\$2,400	48	51	111	120	33	36	98	106
\$2,500	40	43	107	116	28	31	95	103
\$2,600	32	35	103	112	23	26	92	100
\$2,700	24	27	99	108	18	21	89	97
\$2,800	16	19	95	104	13	15	86	94
\$2,900	8	11	91	99	8	9	83	90
\$3,000	5	5	87	94	5	5	80	86
\$3,100		5	82	89		5	77	82
\$3,200		5	77	84		5	73	78
\$3,300		5	72	78		5	69	74
\$3,400			67	72			65	70
\$3,500			62	66			61	66
\$3,600			56	60			57	62
\$3,700			50	54			53	57
\$3,800			44	48			49	53
\$3,900			37	40			49	53
\$4,000			30	32			49	53
\$4,100			22	24			49	53
\$4,200			14	16			49	53
\$4,300				8				53
\$4,400				5				53
\$4,500				5				53

TABLE 9.—DIC PARENTS

Income not over	1 parent		2 parents not together		2 parents together	
	Current	Bill	Current	Bill	Current	Bill
\$300						
\$400						
\$500						
\$600						
\$700						
\$800						
\$900						
\$1,000	\$123	\$133	\$86	\$93		
\$1,100	120	130	84	91		
\$1,200	117	127	82	89		
\$1,300	113	123	80	87	\$83	\$90
\$1,400	109	119	76	83	82	88
\$1,500	105	114	72	79	80	86
\$1,600	100	109	68	75	78	84
\$1,700	95	104	64	71	76	82
\$1,800	90	98	60	67	74	80
\$1,900	84	92	56	62	72	78
\$2,000	78	84	52	57	70	76
\$2,100	71	76	48	52	68	74
\$2,200	64	68	44	47	66	72
\$2,300	56	60	40	42	64	70
\$2,400	48	52	35	37	62	68
\$2,500	40	44	30	32	60	66
\$2,600	32	36	25	27	58	64
\$2,700	24	28	20	21	56	61
\$2,800	16	20	14	15	54	58
\$2,900	8	12	8	9	51	55
\$3,000	4	5	4	5	48	52
\$3,100	4	5		5	45	49
\$3,200		5		5	42	46
\$3,300		5		5	39	43
\$3,400		5		5	36	47
\$3,500		5		5	33	39
\$3,600		5		5	30	34
\$3,700					27	30
\$3,800					24	26
\$3,900					20	22
\$4,000					16	18
\$4,100					12	14
\$4,200					8	10
\$4,300					4	6
\$4,400					4	5
\$4,500					4	5

According to information supplied by the Veterans' Administration, if the interim adjustments contained in this measure are enacted, none of the 41,845 veterans or survivors currently scheduled to be terminated because of social security increases will be dropped. Further, 1,098,566 veterans, widows and dependents can expect to receive an average annual gain in pension of approximately \$94.

And although no veteran or survivor will sustain a loss in aggregate income, solely as a result of social security increases, it should be explicitly acknowledged that even if provisions contained in titles II and IV are enacted, 655,000 veterans and survivors will sustain some reduction in pension despite such adjustments. The following tables show the projected gains and losses with respect to the current pension population if H.R. 10355 is enacted into law.

TABLE 10.—ESTIMATED EFFECTS OF 8 PERCENT OASI INCREASE AS OF JAN. 1, 1976 (NEW LAW ONLY) AND OF S. 2635

With no change in law:	Number gaining pension	Average annual gain	Number reduced pension	Average annual reduction	Number gaining aggregate	Average annual gain	Number reduction aggregate	Average annual reduction	Number benefit rating
Veteran alone.....	0	0	225,557	\$117	230,568	\$48	0	0	6,602
Veteran w/dependent.....	0	0	457,339	123	464,258	186	0	0	17,805
Widow alone.....	0	0	526,951	79	530,528	82	0	0	16,748
Widow w/dependent.....	0	0	107,879	44	120,884	104	0	0	690
Total.....	0	0	1,327,716	98	1,346,718	97	0	0	41,845
With enactment of Title II of S. 2635:									
Veteran alone.....	202,825	\$122	130,597	93	333,927	119	0	0	0
Veteran w/dependent.....	364,175	93	202,319	111	567,895	125	0	0	0
Widow alone.....	400,171	76	308,983	60	709,852	77	0	0	0
Widow w/dependent.....	131,385	110	13,369	18	145,053	136	0	0	0
Total.....	1,098,566	94	655,268	82	1,756,247	105	0	0	0

Note: It is estimated that if there is no change in income limitations, 12,000 pensioners under the old law would have excessive income because of the 8 percent OASI increase, and that the vast majority of those would elect to come under new law.

COST ESTIMATES

The Veterans' Administration estimates the fiscal 1976 cost attributable to H.R. 10355 to be \$100.1 million. Costs for the Transition Quarter are estimated at \$50 million. These figures have been included in the reestimates for "function 700-Veteran Benefits" as passed by both the House and the Senate in their respective versions of the Second Concurrent Budget Resolution currently pending in conference.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report H.R. 10355, with an amendment, favorably to the Senate:

Yeas—9

Vance Hartke
Herman E. Talmadge
Jennings Randolph
Alan Cranston
Richard (Dick) Stone
John A. Durkin

Clifford P. Hansen
Strom Thurmond
Robert T. Stafford

Nays 0

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF H.R. 10355

Section 1

This section provides that the Act may be cited as the "Veterans and Survivors Pension Interim Adjustment Act of 1975".

TITLE I—INTERIM ADJUSTMENTS IN CURRENT STATUTORY PENSION PROVISIONS

In general, title I of the Act would provide an average 8 percent cost-of-living increase in current pension rates and a \$300 increase in the maximum annual income limitations for all pensioners effective January 1, 1976 until September 30, 1976 while Congress considers overall pension reform, such as contained in S. 2635, unanimously reported by the Committee on Veterans' Affairs and approved by the full Senate on December 15, 1975.

Section 101

Section (a) amends section 101 of title 38, United States Code, providing general definitions of terms used in that title by adding the term "spouse" to mean wife or husband and the term "surviving spouse" to mean widow or widower.

Section (b) makes a number of technical and conforming amendments to chapter 15 of title 38, United States Code, providing for pensions for non-service-connected disability or death or for service.

Clause 1 makes a technical grammatical amendment to section 503(a).

Clause 2 amends subsection (a) of section 541 by substituting the term "surviving spouse" for widow to eliminate unnecessary gender references.

Clause 3 amends subsection (e) of section 541 by providing that no pension shall be paid to a surviving spouse of a veteran of the Vietnam era unless married to the veteran prior to May 8, 1985. Existing law provides that no pension will be paid unless the surviving spouse was married prior to the expiration of 10 years following termination of the Vietnam era. Inasmuch as the President declared the Vietnam era terminated as of May 8, 1975, a specific date reflecting that 10-year period has been substituted to conform with existing practice for previous periods of war enumerated in that subsection.

Clauses 4 and 5 amend sections 542 and 543 respectively to substitute the term "surviving spouse" for widow to eliminate unnecessary gender references.

Clause 6 repeals section 510 authorizing payment of pensions to persons who have served in military, naval forces of the Confederate States of America during the Civil War, and section 531 authorizing payment of pensions to widows of Mexican War veterans. These provisions are now obsolete because there are no longer any living veterans or dependents of the Confederate States of America nor widows of the Mexican War.

Clauses 7, 8, and 9 make further amendments to the subchapter headings, subheadings and catchlines to delete unnecessary gender references.

Clause 10 makes conforming amendments in the table of sections at the beginning of chapter 15 to reflect the deletion of sections 510 and 531 and the removal of unnecessary gender references.

Section 102

Would provide effective January 1, 1976 an average 8 percent increase in the rates of pension and a \$300 increase in the maximum annual income limitation for eligible veterans under section 521.

Clause 1 amends subsection (b) of section 521 prescribing pension rates for unmarried veterans. Currently, a veteran with no dependents and with an annual countable income of \$300 or less receives a maximum monthly pension of \$160 which is gradually reduced to \$5 subject to a limitation on annual countable income of \$3,000. As amended, this section which also substitutes a more readable table of payments for the current written formula would provide that a veteran with no dependents and an annual countable income of \$300 or less would receive a maximum monthly rate of \$173 reduced to \$5 subject to a limitation on annual countable income of \$3,300.

Clause 1 also amends subsection (c) of section 521 prescribing rates for veterans with dependents. Currently, the maximum monthly pension payable to a veteran with annual countable income of \$500 or less and with one dependent is \$172, for two dependents \$177 and with three or more dependents \$182. This decreases gradually to the minimum monthly payment of \$14, \$19, and \$24 respectively until the veteran's annual countable income reaches \$4,200 whereupon he would be

ineligible for a pension. As amended subsection (e) would provide a veteran with one dependent \$186, with two dependents \$191, and with three dependents \$196, based on income of \$500 or less, ranging downward to a minimum monthly payment of \$5 and limited by a maximum annual countable income of \$4,500.

Clause 2 amends section 521(d) which authorizes additional allowances payable to veterans receiving pension who are in need of regular aid and attendance by increasing the monthly rate from \$123 to \$133.

Clause 3 amends section 521(d) which authorizes additional allowances payable to those veterans receiving pension who do not qualify for aid and attendance but who are permanently housebound by increasing the monthly allowance from \$49 to \$53.

Section 103

Would provide effective January 1, 1976 until September 30, 1976 an average 8 percent increase in the rates of pension and a \$300 increase in the maximum annual income limitation for eligible surviving spouses of veterans under section 541 of title 38, United States Code.

Clause 1 amends subsection (b) of section 541 prescribing pension rates for surviving spouses with no dependents. Currently a widow with no dependents and with an annual countable income of \$300 or less receives a maximum monthly pension of \$108 which is gradually reduced to a minimum monthly payment of \$5 subject to a limitation on annual countable income of \$3,000. As amended, this section which also substitutes a more readable table of payments for the current written formula, would provide that a surviving spouse with no dependents and an annual countable income of \$300 or less would receive a maximum monthly pension of \$117 reduced to \$5 subject to a limitation on annual countable income of \$3,300. *Clause 1* also amends subsection (c) of section 541 prescribing rates for surviving spouses with dependents. Currently the maximum monthly pension to a surviving spouse with an annual countable income of \$700 or less with one dependent is \$128 which decreases gradually to a minimum monthly payment of \$49 and is limited by annual countable income of \$4,200.

Clause 2 amends subsection (d) of section 541 providing additional payments for dependents in excess of one by increasing the monthly pension for each additional child from \$20 to \$22.

Section 104

Would provide, effective January 1, 1976 until September 30, 1976, an average 8 percent increase in the rates of pension and a \$300 increase in the maximum annual income limitation for eligible children where there is no surviving spouse.

Clause 1 amends subsection (a) of section 542 which currently provides for payment of pension at a monthly rate of \$49 for one child and \$20 for each additional child. As amended, this section would provide for respective rates of \$53 and \$22.

Clause 2 would amend the eligible child's maximum annual income limitation from \$2,400 to \$2,700.

Section 105

Provides, effective January 1, 1976 until September 30, 1976, an 8 percent increase from \$64 to \$69 for any widow entitled to additional monthly allowances for aid and attendance.

Section 106

Would make a number of technical and conforming amendments to chapter 15 of title 38 United States Code, to eliminate unnecessary or unwarranted gender references.

Section 107

Subsection (a) This section would amend section 4 of Public Law 90-275 (82 Stat. 68) to increase the maximum annual income limitations applicable under the "old law" pension plan by \$300 until September 30, 1976. A veteran or surviving spouse without a dependent, or a child alone, would remain eligible for pension with a maximum countable annual income of up to \$2,900 a year as contrasted with the current \$2,600 limitation. A veteran with a dependent or a surviving spouse with a child would remain eligible for pension with a maximum countable annual income of up to \$4,200 as opposed to the current maximum \$3,900.

TITLE II—INTERIM ADJUSTMENTS IN CURRENT STATUTORY PROVISIONS RELATING TO DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

In general, title IV of this act would provide an average 8 percent cost-of-living increase and a \$300 increase in the maximum annual income limitations effective January 1, 1976 until September 30, 1976, for those parents receiving need-based dependency and indemnity compensation while Congress considers overall pension reform such as contained in S. 2635, reported unanimously by the Committee on Veterans' Affairs and approved by the full Senate on December 15, 1975.

Section 201

Clause 1 would redesignate current paragraph 2 of subsection (b) as paragraph 4.

Clause 2 would increase the rates of dependency and indemnity compensation (DIC) and annual income limitation for a sole surviving parent receiving dependency and indemnity compensation under section 415(b) for the interim period between January 1, 1976, and September 30, 1976.

Currently, a sole surviving parent receives a maximum monthly DIC payment of \$123 if his annual countable income is less than \$800, decreasing to \$4 subject to a limitation on annual countable income of \$3,000. As amended, this section, which also substitutes a more readable table of payments for the current written formula, would provide for a maximum monthly payment of \$133 with an annual income of \$800 or less, down to \$4 and limited by an annual income of \$3,300.

Clause 3 would increase the rates of dependency and indemnity com-

ensation (DIC) and the annual income limitation for two parents not living together but receiving DIC under section 415(c). Currently, each of two parents who are not living together receives a maximum monthly DIC payment of \$86 if annual countable income is \$800 or less, decreasing on a graduated scale to \$4 subject to a limitation on annual countable income of \$3,000. As amended, this section would provide a maximum monthly rate of \$93 with an annual income of \$800 or less, down to \$5 subject to a limitation on annual income of \$3,300. Clause 3 would also increase the rates of dependency and indemnity compensation (DIC) and the annual income limitation for parents receiving DIC under section 415(d). Currently, if there are two parents who are living together or if a parent is remarried and is living with his spouse, each parent receives a maximum monthly DIC payment of \$83 if their annual countable income is \$1,000 or less, decreasing gradually to \$4 subject to a limitation on annual countable income of \$4,200. As amended, this section would provide a maximum monthly payment of \$90 with an annual income of \$1,000 or less, down to \$5 for an annual income of \$4,500.

Clause 4 would increase the allowance payable under section 415(h) to parents in receipt of DIC who are in need of aid and attendance. Currently, this additional allowance is \$64 per month. As amended, it would be increased to \$69.

Would increase aid and attendance allowance by approximately 8 percent for those widows and dependent parents receiving death compensation. The rates would be increased from \$64 to \$69 similar to that provided for widows under the non-service-connected pension program.

AGENCY REPORT

The Committee requested and received a report on H.R. 10355 from the Veterans' Administration. That report follows:

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., December 4, 1975.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for a report on H.R. 10355, 94th Congress.

The measure, to be known as the "Veterans and Survivors Pension Adjustment Act of 1975," would provide, among other things, increases in the rates and income limitations relating to non-service-connected disability and death pension for veterans, widows, and children under the current program, increases in the rates and income limitations for parents of deceased servicemen under the service-connected dependency and indemnity compensation program, and increases in income limitations for beneficiaries under the protected pension law.

The current pension program under chapter 15 of title 38, United States Code, provides monthly non-service-connected disability or death pension for otherwise eligible veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and their widows and children. Benefits are provided on a sliding scale according to income and family status, with the greatest amounts of pension payable to those with the greatest need. Basic disability pension rates for veterans range from \$5 to \$182 per month with a maximum annual income limitation as high as \$4,200, according to number of dependents. The applicable monthly rate is increased by \$123 if the veteran is in need of the regular aid and attendance of another person, or by \$49 if he is permanently housebound but not entitled to the aid and attendance allowance.

Similarly, the death pension rate for a widow without a child ranges from \$5 to \$108 per month, with a maximum annual income limitation of \$3,000. In the case of a widow with one child, the monthly rate can go as high as \$128, with a maximum annual income limitation of \$4,200. There is an allowance of \$20 per month for each additional child. The basic monthly rate is increased by \$64 if the widow is in need of regular aid and attendance. For children, where no widow is entitled, monthly death pension of \$49 is payable for one child, and \$20 for each additional child, the total payable in equal shares. There is an unearned annual income limitation of \$2,400 applicable to a child where no widow is entitled.

The rates of pension and limitations on annual income are different with respect to persons who were receiving pension on June 30, 1960, and who continue to receive benefits under that prior system pursuant

to the savings provisions of section 9(b) of the Veterans' Pension Act of 1959 (Pub. L. 86-211). Applicable annual income limitations are \$2,600 for a veteran unmarried and without a child, a widow without a child or a child alone; and \$3,900 for a veteran married or with a child, and for a widow with a child.

Under chapter 13 of title 38, United States Code, monthly dependency and indemnity compensation payments are made to widows and certain parents and children of veterans who die of a service-connected cause. Parents' benefits are provided on a sliding scale based on annual income. The income limitations vary according to whether there are one or two parents, and in a case of two parents, whether they are living together or apart. The maximum annual income limitations are \$3,000 for an only parent and for each of two parents living apart, and \$4,200 for two parents (including in some cases an only parent who has remarried). The current monthly rates range from \$4 to \$123 for an only parent, from \$4 to \$86 for each of two parents not living together, from \$4 to \$83 for each of two parents living together, and from \$4 to \$123 for an only parent who has remarried.

Section 2 of H.R. 10355 would increase by approximately 8 percent the monthly rates for veterans under the current pension program, including the housebound and aid and attendance rates, and would increase their maximum annual income limitations by \$300. Section 3 would increase widows' monthly pension rates by approximately 8 percent, and would increase their maximum annual income limitations by \$300. The latter section would also increase the rate for each child in excess of one (with a widow) from \$20 to \$22 per month.

Section 4 would increase the monthly pension rate for a surviving child where there is no widow entitled from \$49 to \$53, and the rate for each additional child from \$20 to \$22. Also, section 4 would increase a child's unearned annual income limitation from \$2,400 to \$2,700.

Section 5 of the bill would increase from \$64 to \$69 the special monthly aid and attendance allowance payable to widows on the pension rolls.

Section 6 of the bill would increase from \$2,600 to \$2,900 and from \$3,900 to \$4,200 the applicable maximum income limitations governing payment to persons receiving pension under the prior program in effect on June 30, 1960.

Section 7 would increase by approximately 8 percent the monthly dependency and indemnity compensation payable to eligible surviving parents of persons who died of service-connected causes. Further, it proposes to increase by \$300 the applicable maximum income limitations governing the payment of such compensation. Another feature of section 7 is a proposal to increase the monthly aid and attendance allowance payable to parents under the dependency and indemnity compensation program from \$64 to \$69, while section 8 would similarly increase the monthly aid and attendance allowance of widows and dependent parents receiving death compensation.

Section 9 would require the Administrator to prescribe, by regulation, minimum levels of monthly income which, if not exceeded, would preclude denial of dependency of a parent for the purpose of

payment of death compensation under 38 U.S.C. 322, or additional disability compensation to a veteran under 38 U.S.C. 315.

The code provision to be amended by section 9, 38 U.S.C. 102(a) (2), presently specifies monetary guidelines for conclusively establishing dependency of parents. Those statutory standards have not been changed since 1957. We favor the proposed specific direction for minimum income levels to be administratively prescribed.

Section 10 provides an effective date of January 1, 1976.

It is estimated that enactment of H.R. 10355 would cost approximately \$100.1 million during fiscal year 1976 (6 months), and that the cost would approximate \$198.4 million for fiscal year 1977, gradually decreasing to \$178 million during fiscal year 1980.

The needs of the veterans and their survivors have been regularly recognized in the face of changing economic conditions. Effective the first of this year, non-service-connected disability and death pension rates for veterans, widows and children and dependency and indemnity compensation rates for parents were increased by approximately 12 percent, and income limitations were correspondingly increased, by Public Law 93-527.

We believe that Veterans' Administration benefits based upon economic need should be adjusted periodically to preclude serious diminution of the purchasing power of the benefit by inflation. However, such increases must also be related to overall Federal budgetary policies.

The President has continually urged restraint in the overall growth of Federal expenditures and has pointed out that the long-term, as well as near-term, health of the economy requires a reduction in the rapid rate of increase in the Federal budget that has occurred in recent years. To achieve this objective, he has recommended numerous measures to the Congress to deal with inflationary pressures and to reduce the growth of certain Federal programs. As you know, he has urged a limit of 5 percent during this fiscal year on increases in a whole range of Federally-supported benefit and pay programs.

Consonant with the foregoing views of the President, we recommend increases of 5 percent in the monthly rates of pension and parents' dependency and indemnity compensation, effective January 1, 1976.

In recent years pension rates have been increased based upon changes in the Consumer Price Index, and have been almost directly reflective of that percentile increase. In most instances, they have been accompanied by increases in income limits controlling eligibility for benefits. The effect of the latter increases has been to maintain and enlarge the pension population by authorizing the continued payment of pension benefits to recipients when their incomes rise to levels which would otherwise make them ineligible for pension payments. Because of the higher levels of their incomes, such persons have less need for pension assistance.

We believe that continuation of the practice of raising income limitations each time a benefit rate increase is enacted is inconsistent with the objective of providing monetary aid to individuals with the greatest need. Accordingly, we oppose further increases in income limitations relating to pension and parents' dependency and indemnity compensation.

Advice was received from the Office of Management and Budget with respect to a similar report, on an identical measure, H.R. 9045, 94th Congress, that there was no objection to the presentation of the report from the standpoint of the Administration's program.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

CHANGES IN EXISTING LAW MADE BY H.R. 10355, AS REPORTED

In accordance with subsection 4 of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

PART II—GENERAL BENEFITS

CHAPTER 1—GENERAL

§ 101. Definitions

For the purposes of this title—

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "veteran" means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(3) The term ["widow"] "*surviving spouse*" means (except for purposes of chapter 19 of this title) a [woman] *person of the opposite sex* who was the [wife] *spouse* of a veteran at the time of [his] *the veteran's* death, and who lived with [him] *the veteran* continuously from the date of marriage to the date of [his] *the veteran's* death (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the [wife] *spouse*) and who has not remarried or (in cases not involving remarriage) has not since the death of the veteran, and after September 19, 1962, lived with another [man] *person* and held *himself* or herself out openly to the public to be the [wife] *spouse* of such other [man] *person*.

(4) The term "child" means (except for purposes of chapter 19 of this title and section 5202(b) of this title) a person who is unmarried and—

(A) who is under the age of eighteen years;

(B) who, before attaining the age of eighteen years, became permanently incapable of self-support; or

(C) who, after attaining the age of eighteen years and until completion of education or training (but not after attaining the age of twenty-three years), is pursuing a course of instruction at an approved educational institution;

and who is a legitimate child, a legally adopted child, a stepchild who is a member of a veteran's household or was a member at the time of the veteran's death, or an illegitimate child but, as to the alleged father, only if acknowledged in writing signed by him, or if he has been judicially ordered to contribute to the child's support or has been, before his death, judicially decreed to be the father of such child, or if he is otherwise shown by evidence satisfactory to the Administrator to be the father of such child. A person shall be deemed, as of the date of death of a veteran, to be the legally adopted child of such veteran if such person was at the time of the veteran's death living in the veteran's household and was legally adopted by the veteran's surviving spouse within two years after the veteran's death or the date of enactment of this sentence; however, this sentence shall not apply if at the time of the veteran's death, such person was receiving regular contributions toward [his] *the person's* support from some individual other than the veteran or [his] *the veteran's* spouse, or from any public or private welfare organization which furnishes services or assistance for children. A person with respect to whom an interlocutory decree of adoption has been issued by an appropriate adoption authority shall be recognized thereafter as a legally adopted child, unless and until that decree is rescinded, if the child remains in the custody of the adopting parent or parents during the interlocutory period. A person who has been placed for adoption under an agreement entered into by the adopting parent or parents with any agency authorized under law to so act shall be recognized thereafter as a legally adopted child, unless and until such agreement is terminated, if the child remains in the custody of the adopting parent or parents during the period of placement for adoption under such agreement.

(5) The term "parent" means (except for purposes of chapter 19 of this title) a father, a mother, a father through adoption, a mother through adoption, or an individual who for a period of not less than one year stood in the relationship of a parent to a veteran at any time before [his] *the veteran's* entry into active military, naval, or air service or if two persons stood in the relationship of a father or a mother for one year or more, the person who last stood in the relationship of father or mother before the veteran's last entry into active military, naval, or air service.

(6) The term "Spanish-American War" (A) means the period beginning on April 21, 1898, and ending on July 4, 1902, (B) includes the Philippine Insurrection and the Boxer Rebellion, and (C) in the case of a veteran who served with the United States military forces engaged in hostilities in the Moro Province, means the period beginning on April 21, 1898, and ending on July 15, 1903.

(7) The term "World War I" (A) means the period beginning on April 6, 1917, and ending on November 11, 1918, and (B) in the case of a veteran who served with the United States military forces in Russia, means the period beginning on April 6, 1917, and ending on April 1, 1920.

(8) The term "World War II" means (except for purposes of chapters 31 and 37 of this title) the period beginning on December 7, 1941, and ending on December 31, 1946.

(9) The term "Korean conflict" means the period beginning on June 27, 1950, and ending on January 31, 1955.

(10) The term "Armed Forces" means the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components thereof.

(11) The term "period of war" means the Spanish-American War, the Mexican border period, World War I, World War II, the Korean conflict, the Vietnam era, and the period beginning on the date of any future declaration of war by the Congress and ending on the date prescribed by Presidential proclamation or concurrent resolution of the Congress.

(12) The term "veteran of any war" means any veteran who served in the active military, naval, or air service during a period of war.

(13) The term "compensation" means a monthly payment made by the Administrator to a veteran because of a service-connected disability, or to a [widow] *surviving spouse*, child, or parent of a veteran because of the service-connected death of the veteran occurring before January 1, 1957.

(14) The term "dependency and indemnity compensation" means a monthly payment made by the Administrator to a [widow] *surviving spouse*, child, or parent (A) because of a service-connected death occurring after December 31, 1956, or (B) pursuant to the election of a [widow] *surviving spouse*, child, or parent, in the case of such a death occurring before January 1, 1957.

(15) The term "pension" means a monthly payment made by the Administrator to a veteran because of service, age, or non-service-connected disability, or to a [widow] *surviving spouse* or child of a veteran because of the non-service-connected death of the veteran.

(16) The term "service-connected" means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.

(17) The term "non-service-connected" means, with respect to disability or death, that such disability was not incurred or aggravated, or that the death did not result from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.

(18) The term "discharge or release" includes retirement from the active military, naval, or air service.

(19) The term "State home" means a home established by a State (other than a possession) for veterans of any war (including the Indian Wars) disabled by age, disease, or otherwise who by reason of such disability are incapable of earning a living. Such term also includes such a home which furnishes nursing home care for veterans of any war.

(20) The term "State" means each of the several States, Territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico. For the purpose of section 903 and chapters 34 and 35 of this title, such term also includes the Canal Zone.

(21) The term "active duty" means—

(A) full-time duty in the Armed Forces, other than active duty for training;

(B) full-time duty (other than for training purposes) as a

commissioned officer of the Regular or Reserve Corps of the Public Health Service (i) on or after July 29, 1945, or (ii) before that date and under circumstances affording entitlement to "full military benefits" or (iii) at any time, for the purposes of chapter 13 of this title;

(C) full-time duty as a commissioned officer of the National Oceanic and Atmospheric Administration or its predecessor organization the Coast and Geodetic Survey (i) on or after July 29, 1945, or (ii) before that date (a) while on transfer to one of the Armed Forces, or (b) while, in time of war or national emergency declared by the President, assigned to duty on a project for one of the Armed Forces in an area determined by the Secretary of Defense to be of immediate military hazard, or (c) in the Philippine Islands on December 7, 1941, and continuously in such islands thereafter, or (iii) at any time, for the purposes of chapter 13 of this title;

(D) service as a cadet at the United States Military, Air Force, or Coast Guard Academy, or as a midshipman at the United States Naval Academy; and

(E) authorized travel to or from such duty or service.

(22) The term "active duty for training" means—

(A) full-time duty in the Armed Forces performed by Reserves for training purposes;

(B) full-time duty for training purposes performed as a commissioned officer of the Reserve Corps of the Public Health Service (i) on or after July 29, 1945, or (ii) before that date under circumstances affording entitlement to "full military benefits", or (iii) at any time, for the purposes of chapter 13 of this title;

(C) in the case of members of the National Guard or Air National Guard of any State, full-time duty under section 316, 502, 503, 504, or 505 of title 32, or the prior corresponding provisions of law; and

(D) authorized travel to or from such duty.

The term does not include duty performed as a temporary member of the Coast Guard Reserve.

(23) The term "inactive duty training" means—

(A) duty (other than full-time duty) prescribed for Reserves (including commissioned officers of the Reserve Corps of the Public Health Service) by the Secretary concerned under section 206 of title 37 or any other provision of law; and

(B) special additional duties authorized for Reserves (including commissioned officers of the Reserve Corps of the Public Health Service) by an authority designated by the Secretary concerned and performed by them on a voluntary basis in connection with the prescribed training or maintenance activities of the units to which they are assigned.

In the case of a member of the National Guard or Air National Guard of any State, such term means duty (other than full-time duty) under sections 316, 502, 503, 504, or 505 of titles 32, or the prior corresponding provisions of law. Such term does not include (i) work or study performed in connection with correspondence courses, (ii) attendance at an educational institution in an inactive status, or (iii) duty performed as a temporary member of the Coast Guard Reserve.

(24) The term "active military, naval, or air service" includes active duty, any period of active duty for training during which the individual concerned was disabled or died from a disease or injury incurred or aggravated in line of duty, and any period of inactive duty training during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty.

(25) The term "Secretary concerned" means—

(A) the Secretary of the Army, with respect to matters concerning the Army;

(B) the Secretary of the Navy, with respect to matters concerning the Navy or the Marine Corps;

(C) the Secretary of the Air Force, with respect to matters concerning the Air Force;

(D) the Secretary of Transportation, with respect to matters concerning the Coast Guard;

(E) the Secretary of Health, Education, and Welfare, with respect to matters concerning the Public Health Service; and

(F) the Secretary of Commerce, with respect to matters concerning the National Oceanic and Atmospheric Administration or its predecessor organization the Coast and Geodetic Survey.

(26) The term "Reserve" means a member of a reserve component of one of the Armed Forces.

(27) The term "reserve component" means, with respect to the Armed Forces—

(A) the Army Reserve;

(B) the Naval Reserve;

(C) the Marine Corps Reserve;

(D) the Air Force Reserve;

(E) the Coast Guard Reserve;

(F) the National Guard of the United States; and

(G) the Air National Guard of the United States.

(28) The term "nursing home care" means the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled nursing care and related medical services, if such nursing care and medical services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such care. The term includes intensive care where the nursing service is under the supervision of a registered professional nurse.

(29) The term "Vietnam era" means the period beginning August 5, 1964, and ending on such date as shall thereafter be determined by Presidential proclamation or concurrent resolution of the Congress.

(30) The term "Mexican border period" means the period beginning on May 9, 1916, and ending on April 5, 1917, in the case of a veteran who during such period served in Mexico, on the borders thereof, or in the waters adjacent thereto.

(31) The term "spouse" means a person of the opposite sex who is a wife or husband and the term "surviving spouse" means a person of the opposite sex who is a widow or widower.

* * * * *

Subchapter III—Wartime Death Compensation

§ 322. Rates of wartime death compensation

(a) * * *

(b) The monthly rate of death compensation payable to a widow or dependent parent under subsection (a) of this section shall be increased by ~~[\$64]~~ \$69 if the payee is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

CHAPTER 13—DEPENDENCY AND INDEMNITY COMPENSATION FOR SERVICE-CONNECTED DEATHS

Subchapter II—Dependency and Indemnity Compensation

§ 415. Dependency and indemnity compensation to parents

(a) Dependency and indemnity compensation shall be paid monthly to parents of a deceased veteran in the amounts prescribed by this section.

(b) (1) Except as provided in paragraph [(2)] (4) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to [him] the parent according to the following formula: [If annual income is \$800 or less, the monthly rate of dependency and indemnity compensation shall be \$123. For each \$1 of annual income in excess of \$800 up to and including \$1,000, the monthly rate shall be reduced 3 cents; for each \$1 of annual income in excess of \$1,000 up to and including \$1,300, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$1,300 up to and including \$1,600, the monthly rate shall be reduced 5 cents; for each \$1 of annual income in excess of \$1,600 up to and including \$1,800, the monthly rate shall be reduced 6 cents; for each \$1 of annual income in excess of \$1,800 up to and including \$2,000, the monthly rate shall be reduced 7 cents; and for each \$1 annual income in excess of \$2,000 up to and including \$3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than \$4. No dependency and indemnity compensation shall be paid if annual income exceeds \$3,000.]

"The monthly rate of dependency and indemnity compensation shall be \$123 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0. 00	0	\$800
. 03	\$800	1, 000
. 04	1, 000	1, 200
. 05	1, 200	1, 500
. 06	1, 500	1, 700
. 08	1, 700	3, 300

(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds \$3,300.

(2) (4) If there is only one parent and [he] such parent has remarried and is living with [his] such parent's spouse, dependency and indemnity compensation shall be paid to [him] such parent under either the formula of paragraph (1) of this subsection or under the formula in subsection (d), whichever is the greater. In such a case of remarriage the total combined annual income of the parent and [his] such parent's spouse shall be counted in determining the monthly rate of dependency and indemnity compensation under the appropriate formula.

(c) (1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula: [If the annual income of each parent is \$800 or less, the monthly rate of dependency and indemnity payable to each shall be \$86. For each \$1 of annual income in excess of \$800 up to and including \$1,100, the monthly rate shall be reduced 2 cents; for each \$1 of annual income in excess of \$1,100 up to and including \$2,100, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$2,100 up to and including \$2,500, the monthly rate shall be reduced 5 cents; and for each \$1 of annual income in excess of \$2,500 up to and including \$3,000, the monthly rate shall be reduced 6 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than \$4. No dependency and indemnity compensation shall be paid to a parent whose annual income exceeds \$3,000.]

"The monthly rate of dependency and indemnity compensation shall be \$93 reduced by—	For each \$1 of annual income of such parent	
	Which is more than—	But not more than—
\$0.00	0	\$800
.02	\$800	1,100
.04	1,100	1,600
.05	1,600	2,400
.06	2,400	3,300

(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds \$3,300.

(d) (1) If there are two parents who are living together, or if a parent has remarried and is living with [his] such parent's spouse, de-

pendency and indemnity compensation shall be paid to each such parent according to the following formula: [If the total combined annual income is \$1,000 or less, the monthly rate of dependency and indemnity compensation payable to each parent shall be \$83. For each \$1 of annual income in excess of \$1,000 up to and including \$1,100, the monthly rate shall be reduced 1 cent; for each \$1 of annual income in excess of \$1,100 up to and including \$2,500, the monthly rate shall be reduced 2 cents; for each \$1 of annual income in excess of \$2,500 up to and including \$3,500, the monthly rate shall be reduced 3 cents; and for each \$1 of annual income in excess of \$3,500 up to and including \$4,200, the monthly rate shall be reduced 4 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than \$4. No dependency and indemnity compensation shall be paid to either parent if the total combined annual income exceeds \$4,200.]

"The monthly rate of dependency and indemnity compensation shall be \$90 reduced by—	For each \$1 of the total combined annual income	
	Which is more than—	But not more than—
\$0.00	0	\$1,000
.02	\$1,000	2,300
.03	2,300	3,300
.04	3,300	4,500

(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

(3) In no case may dependency and indemnity compensation be paid under this subsection to a parent if the total combined annual income of the parent and such parent's spouse exceeds \$4,500.

(e) The Administrator shall require as a condition of granting or continuing dependency and indemnity compensation to a parent that such parent, other than one who has attained seventy-two years of age and has been paid dependency and indemnity compensation during two consecutive calendar years, file each year with [him] the Administrator (on the form prescribed by [him] the Administrator) a report showing the total income which such parent expects to receive in that year and the total income which such parent received in the preceding year. The parent or parents shall file with the Administrator a revised report whenever there is a material change in the estimated annual income.

(f) If the Administrator ascertains that there have been overpayments to a parent under this section, [he] the Administrator shall deduct such overpayments (unless waived) from any future payments made to such parent under this section.

(g) (1) In determining income under this section, all payments of any kind or from any source shall be included, except—

(A) payments of the six months' death gratuity;

(B) donations from public or private relief or welfare organizations;

(C) payments under this chapter (except section 412(a)) and chapters 11 and 15 of this title and under the first sentence of section 9(b) of the Veterans' Pension Act of 1959;

(D) lump-sum death payments under subchapter II of chapter 7 of title 42;

(E) payments of bonus or similar cash gratuity by any State based upon service in the Armed Forces;

(F) payments under policies of servicemen's group life insurance, United States Government life insurance or National Service Life Insurance, and payments of servicemen's indemnity;

(G) 10 per centum of the amount of payments to an individual under public or private retirement, annuity, endowment, or similar plans or programs;

(H) amounts equal to amounts paid by a parent of a deceased veteran for—

(i) a deceased spouse's just debts,

(ii) the expenses of the spouse's last illness to the extent such expenses are not reimbursed under chapter 51 of this title, and

(iii) the expenses of the spouse's burial to the extent that such expenses are not reimbursed under chapter 23 or chapter 51 of this title;

(I) proceeds of fire insurance policies;

(J) amounts equal to amounts paid by a parent of a deceased veteran for—

(i) the expenses of the veteran's last illness, and

(ii) the expenses of [his] *such veteran's* burial to the extent that such expenses are not reimbursed under chapter 23 of this title;

(K) profit realized from the disposition of real or personal property other than in the course of a business;

(L) payments received for discharge of jury duty or obligatory civic duties; and

(M) payments of annuities elected under subchapter I of chapter 73 of title 10.

(2) Where a fraction of a dollar is involved, annual income shall be fixed at the next lower dollar.

(3) The Administrator may provide by regulation for the exclusion from income under this section of amounts paid by a parent for unusual medical expenses.

(h) The monthly rate of dependency and indemnity compensation payable to a parent shall be increased by ~~[\$64]~~ \$69 if such parent is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

* * * * *

CHAPTER 15—PENSION FOR NON-SERVICE-CONNECTED DISABILITY OR DEATH OR FOR SERVICE

* * * * *

SUBCHAPTER II—VETERANS' PENSIONS

Service Pension

Sec.

[510. Confederate forces veterans.]

511. Indian War veterans.

512. Spanish-American War veterans.

* * * * *

SUBCHAPTER III—PENSIONS TO [WIDOWS] SURVIVING SPOUSES AND CHILDREN

Wars Before World War I

[531. Widows of Mexican War veterans.]

532. [Widows] *Surviving spouses* of Civil War veterans.

533. Children of Civil War veterans.

534. [Widows] *Surviving spouses* of Indian War veterans.

535. Children of Indian War veterans.

536. [Widows] *Surviving spouses* of Spanish-American War veterans.

537. Children of Spanish-American War veterans.

Mexican border period, World War I, World War II, Korean conflict, and the Vietnam era

541. [Widows] *Surviving spouses* of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans.

542. Children of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans.

543. Net worth limitation.

[Widows] *Surviving Spouses* of Veterans of All Periods of War

544. Aid and attendance allowance.

* * * * *

Subchapter I—General

§ 501. Definitions

For the purposes of this chapter—

(1) The term "Indian Wars" means the campaigns, engagements, and expeditions of the United States military forces against Indian tribes or nations, service in which has been recognized heretofore as pensionable service.

(2) The term "World War I" includes, in the case of any veteran, any period of service performed by [him] *such veteran* after November 11, 1918, and before July 2, 1921, if such veteran served in the active military, naval, or air service after April 5, 1917, and before November 12, 1918.

(3) The term "Civil War veteran" includes a person who served in the military or naval forces of the Confederate States of America during the Civil War, and the term "active military or naval service" includes active service in those forces.

§ 502. Determinations with respect to disability

* * * * *

(a) For the purposes of this chapter, a person shall be considered to be permanently and totally disabled if [he] *such person* is sixty-five years of age or older or is suffering from—

(1) any disability which is sufficient to render it impossible for the average person to follow a substantially gainful occupation, but only if it is reasonably certain that such disability will continue throughout the life of the disabled person; or

(2) any disease or disorder determined by the Administrator to be of such a nature or extent as to justify a determination that persons suffering therefrom are permanently and totally disabled.

(b) For the purpose of this chapter, a person shall be considered to be in need of regular aid and attendance if [he] *such person* is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

(c) For the purposes of this chapter, the requirement of "permanently housebound" will be considered to have been met when the veteran is substantially confined to [his] *such veteran's* house (ward or clinical areas, if institutionalized) or immediate premises due to a disability or disabilities which it is reasonably certain will remain throughout [his] *such veteran's* lifetime.

§ 503. Determinations with respect to annual income

(a) In determining annual income under this chapter, all payments of any kind or from any source (including salary, retirement or annuity payments, or similar income, which has been waived, irrespective of whether the waiver was made pursuant to statute, contract, or otherwise) shall be included except—

(1) payments of the six-months' death gratuity;

(2) donations from public or private relief or welfare organizations;

(3) payments under this chapter, and chapters 11 and 13 (except section 412(a)) of this title;

(4) payments under policies of servicemen's group life insurance, United States Government life insurance or National Service Life Insurance, and payments of servicemen's indemnity;

(5) lump sum death payments under subchapter II of chapter 7 of title 42;

(6) 10 per centum of the amount of payments to an individual under public or private retirement, annuity, endowment, or similar plans or programs;

(7) amounts equal to amounts paid by a [wife] *spouse* of a veteran for the expenses of [his] *such veteran's* last illness, and by a [widow] *surviving spouse* or child of a deceased veteran for—

(A) [his] *such veteran's* just debts,

(B) the expenses of [his] *such veteran's* last illness, and

(C) the expenses of [his] *such veteran's* burial to the extent such expenses are not reimbursed under chapter 23 of this title;

(8) proceeds of fire insurance policies;

(9) amounts equal to amounts paid (A) by a veteran for the last illness and burial of [his] *such veteran's* deceased spouse or child or (B) by a [widow] *surviving spouse* or a [wife] *spouse* of a veteran for the last illness and burial of a child of such a veteran;

(10) profit realized from the disposition of real or personal property other than in the course of a business;

(11) payments received for discharge of jury duty or obligatory civic duties;

(12) payments of educational assistance allowance or special training allowance under chapter 35 of this title;

(13) payments of bonus or similar cash gratuity by any State based on service in the Armed Forces;

(14) amounts equal to prepayments on an indebtedness secured by a mortgage, or similar type security instrument, on real property (which was prior to death the principal residence of a veteran and spouse) made by the veteran or [his widow] *such veteran's surviving spouse*, after the death of the spouse, during the year of death and the succeeding year, if said indebtedness was in existence at the time of death;

(15) amounts in joint accounts in banks and similar institutions acquired by reason of death of other joint owner;

(16) payments received by a retired employee from [his] *such employee's* former employer as reimbursement for monthly premiums for supplementary medical insurance benefits for the aged provided by part B of title XVIII of the Social Security Act, as amended; and

(17) payments of annuities elected under subchapter I of chapter 73 of title 10.

(b) Where a fraction of a dollar is involved, annual income shall be fixed at the next lower dollar.

(c) The administrator may provide by regulation for the exclusion from income under this chapter of amounts paid by a veteran, [widow] *surviving spouse* or child for unusual medical expenses.

* * * * *

§ 505. Payment of pension during confinement in penal institutions

(a) No pension under public or private laws administered by the Veterans' Administration shall be paid to or for an individual who has been imprisoned in a Federal, State, or local penal institution as a result of conviction of a felony or misdemeanor for any part of the period beginning sixty-one days after [his] *such individual's* imprisonment begins and ending when [his] *such individual's* imprisonment ends.

(b) Where any veteran is disqualified for pension for any period solely by reason of subsection (a) of this section, the Administrator may apportion and pay to [his wife] *such veteran's spouse* or children the pension which such veteran would receive for that period but for this section.

(c) Where any [widow] *surviving spouse* or child of a veteran is disqualified for pension for any period solely by reason of subsection (a) of this section, the Administrator may (1) if the [widow] *surviving spouse* is so disqualified, pay to the child, or children, the pension which would be payable if there were no such [widow] *surviving spouse* or (2) if a child is so disqualified, pay to the [widow] *surviving spouse* or other children, as applicable, the pension which would be payable if there were no such child.

§ 506. Resource reports and overpayment adjustments

(a) As a condition of granting or continuing pension under sections 521, 541, or 542 of this title, the Administrator—

(1) may require from any person applying for, or in receipt of, pension thereunder such information, proofs, or evidence as [he] *the Administrator* desires in order to determine the annual income and the corpus of [his] *such person's* estate; and

(2) shall require that any such person, other than a child or a person who has attained seventy-two years of age and has been paid pension thereunder during two consecutive calendar years, file each year with the Veterans' Administration (on the form prescribed by [him] *the Administrator*) a report showing the total income which [he] *such person* received during the preceding year, the corpus of [his] *such person's* estate at the end of that year, and [his] *such person's* estimate for the then current year of the total income [he] *such person* expects to receive and of any expected increase in the corpus of [his] *such person's* estate; and

(3) shall require that any such person promptly file a revised report whenever there is a material change in [his] *such person's* estimated annual income or a material change in [his] *such person's* estimate of the corpus of [his] *such person's* estate.

(b) If there is an overpayment of pension under section 521, 541, or 542 of this title, the amount thereof shall be deducted (unless waived) from any future payments made thereunder to the person concerned.

§ 507. Disappearance

Where a veteran receiving pension under subchapter II of this chapter disappears, the Administrator [in his discretion] may pay the pension otherwise payable to [his wife] *such veteran's spouse* and children. In applying the provisions of this section, the Administrator may presume, without reports pursuant to section 506(a) of this title, that the status of the veteran at the time of disappearance, with respect to permanent and total disability, income, and net worth, continues unchanged. Payments made to a [wife] *spouse* or child under this section shall not exceed the amount to which each would be entitled if the veteran died of a non-service-connected disability.

Subchapter II—Veterans' Pensions

SERVICE PENSION

§ 510. Confederate forces veterans

[The Administrator shall pay to each person who served in the military or naval forces of the Confederate States of America during the

Civil War a monthly pension in the same amounts and subject to the same conditions as would have been applicable to such person under the laws in effect on December 31, 1957, if his service in those forces had been service in the military or naval service of the United States.]

§ 511. Indian War veterans

(a) The Administrator shall pay to each veteran of the Indian Wars who meets the service requirements of this section a pension at the following monthly rate:

- (1) \$101.59; or
- (2) \$135.45 if the veteran is in need of regular aid and attendance.

(b) A veteran meets the service requirements of this section if [he] *such veteran* served in one of the Indian Wars—

- (1) for thirty days or more; or
- (2) for the duration of such Indian War;

in any military organization, whether or not such service was the result of regular muster into service of the United States, if such service was under the authority or by the approval of the United States or any State.

(c) (1) Any veteran eligible for pension under this section shall, if [he] *such veteran* so elects, be paid pension at the rates prescribed by section 521 of this title, and under the conditions (other than the service requirements) applicable to pension paid under that section to veterans of World War I. If pension is paid pursuant to such an election, the election shall be irrevocable, except as provided in paragraph (2).

(2) The Administrator shall pay each month to each veteran of the Indian Wars who is receiving, or entitled to receive, pension based on a need of regular aid and attendance, whichever amount is greater (A) that provided by paragraph (2) of subsection (a) of this section, or (B) that which is payable to the veteran under section 521 of this title, if [he] *such veteran* has elected, or would be payable if [he] *such veteran* were to elect, to receive pension under such section pursuant to paragraph (1) of this subsection. Each change in the amount of pension payment required by this paragraph shall be effective as of the first day of the month during which the facts of the particular case warrant such change, and shall be made without specific application therefor.

§ 512. Spanish-American War veterans

(a) (1) The Administrator shall pay to each veteran of the Spanish-American War who meets the service requirements of this subsection a pension at the following monthly rate:

- (A) \$101.59; or
- (B) \$135.45 if the veteran is in need of regular aid and attendance.

(2) A veteran meets the service requirements of this subsection if [he] *such veteran* served in the active military or naval service—

- (A) for ninety days or more during the Spanish-American War;
- (B) during the Spanish-American War and was discharged or released from such service for a service-connected disability; or

(C) for a period of ninety consecutive days or more and such period began or ended during the Spanish-American War.

(3) (A) Any veteran eligible for pension under this subsection shall, if [he] *such veteran* so elects, be paid pension at the rates prescribed by section 521 of this title, and under the conditions (other than the service requirements) applicable to pension paid under that section to veterans of World War I. If pension is paid pursuant to such an election, the election shall be irrevocable, except as provided in subparagraph (B).

(B) The Administrator shall pay each month to each Spanish-American War veteran who is receiving, or entitled to receive, pension based on a need of regular aid and attendance, whichever amount is greater (i) that provided by subparagraph (B) of subsection (a) (1) of this section, or (ii) that which is payable to the veteran under section 521 of this title if [he] *such veteran* has elected, or would be payable if [he] *such veteran* were to elect, to receive pension under such section pursuant to subparagraph (A) of this paragraph. Each change in the amount of pension payment required by this subparagraph shall be effective as of the first day of the month during which the facts of the particular case warrant such change, and shall be made without specific application therefor.

(b) (1) The Administrator shall pay to each veteran of the Spanish-American War who does not meet the service requirements of subsection (a), but who meets the service requirements of this subsection, a pension at the following monthly rate:

(A) \$67.73; or

(B) \$88.04 if the veteran is in need of regular aid and attendance.

(2) A veteran meets the service requirements of this subsection if [he] *such veteran* served in the active military or naval service—

(A) for seventy days or more during the Spanish-American War; or

(B) for a period of seventy consecutive days or more and such period began or ended during the Spanish-American War.

NON-SERVICE-CONNECTED DISABILITY PENSION

§ 521. Veterans of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era

(a) The Administrator shall pay to each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who meets the service requirements of this section, and who is permanently and totally disabled from non-service-connected disability not the result of the veteran's willful misconduct or vicious habits, pension at the rate prescribed by this section.

(b) (1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of [his] *such veteran's* spouse) and has no child, pension shall be paid to the veteran according to the following formula: [If annual income is \$300 or less, the monthly rate of pension shall be \$160. For each \$1 of annual income in excess of \$300 up to and including \$500, the monthly rate shall be reduced 3 cents; for each \$1 annual income in excess of \$500 up to and in-

cluding \$900, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$900 up to and including \$1,500, the monthly rate shall be reduced 5 cents; for each \$1 of annual income in excess of \$1,500 up to and including \$1,900, the monthly rate shall be reduced 6 cents; for each \$1 of annual income in excess of \$1,900 up to and including \$2,300, the monthly rate shall be reduced 7 cents; and for each \$1 of annual income in excess of \$2,300 up to and including \$3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of pension be less than \$5. No pension shall be paid if annual income exceeds \$3,000.]

"The monthly rate of pension shall be \$173 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.03	\$300	500
.04	500	700
.05	700	1,200
.06	1,200	1,700
.07	1,700	2,000
.08	2,000	3,300

(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5 monthly.

(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$3,300.

(c) (1) If the veteran is married and living with or reasonably contributing to the support of [his] *such veteran's* spouse, or has a child or children, pension shall be paid to the veteran according to the following formula: [If annual income is \$500 or less, the monthly rate of pension shall be \$172 for a veteran and one dependent, \$177 for a veteran and two dependents, and \$182 for three or more dependents. For each \$1 of annual income in excess of \$500 up to and including \$700, the monthly rate shall be reduced 2 cents; for each \$1 of annual income in excess of \$700 up to and including \$1,800, the monthly rate shall be reduced 3 cents; for each \$1 of annual income in excess of \$1,800 up to and including \$3,000, the monthly rate shall be reduced 4 cents; for each \$1 of annual income in excess of \$3,000 up to and including \$3,500, the monthly rate shall be reduced 5 cents; for each \$1 of annual income in excess of \$3,500 up to and including \$3,800, the monthly rate shall be reduced 6 cents; for each \$1 of annual income in excess of \$3,800 up to and including \$4,000, the monthly rate shall be reduced 7 cents; and for each \$1 of annual income in excess of \$4,000 up to and including \$4,200, the monthly rate shall be reduced 8 cents. No pension shall be paid if annual income exceeds \$4,200.]

"The monthly rate of pension for a veteran shall be— \$186 if such veteran has one such dependent; \$191 if such veteran has two such dependents; and \$196 if such veteran has three or more such dependents; reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$500
.02	\$500	700
.03	700	1,300
.04	1,300	2,800
.05	2,800	3,200
.06	3,200	3,800
.08	3,800	4,500

(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5 monthly.

(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$4,500.

(d) If the veteran is in need of regular aid and attendance, the monthly rate payable to [him] such veteran under subsection (b) or (c) shall be increased by [§123] \$133.

(e) If the veteran has a disability rated as permanent and total, and (1) has additional disability or disabilities independently ratable at 60 per centum or more, or, (2) by reason of [his] such veteran's disability or disabilities, is permanently housebound but does not qualify for the aid and attendance rate under subsection (d) of this section, the monthly rate payable to [him] such veteran under subsection (b) or (c) shall be increased by [§49] \$53.

(f) For the purposes of this section—

(1) in determining annual income, where a veteran is living with [his] such veteran's spouse, all income of the spouse which is reasonably available to or for the veteran in excess of

whichever is the greater, \$1,200 or the total earned income of the spouse, shall be considered as the income of the veteran, unless in the judgment of the Administrator to do so would work a hardship upon the veteran;

(2) a veteran shall be considered as living with a spouse, even though they reside apart, unless they are estranged.

(g) A veteran meets the service requirements of this section if [he] such veteran served in the active military, naval, or air service—

(1) for ninety days or more during either the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era;

(2) during the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, and was discharged or released from such service for a service-connected disability;

(3) for a period of ninety consecutive days or more and such period ended during the Mexican border period or World War I, or began or ended during World War II, the Korean conflict, or the Vietnam era; or

(4) for an aggregate of ninety days or more in two or more separate periods of service during more than one period of war.

* * * * *

§ 523. Combination of ratings

(a) The Administrator shall provide that, for the purpose of determining whether or not a veteran is permanently and totally disabled, ratings for service-connected disabilities may be combined with ratings for non-service-connected disabilities.

(b) Where a veteran, by virtue of subsection (a), is found to be entitled to a pension under section 521 of this title, and is entitled to compensation for a service-connected disability, the Administrator shall pay [him] such veteran the greater benefit.

Subchapter III—Pensions to [Widows] Surviving Spouses and Children

WARS BEFORE WORLD WAR I

[§ 531. Widows of Mexican War veterans

[The Administrator shall pay to the widow of each veteran of the Mexican War, who is on the pension rolls on December 31, 1958, under any public law, a pension at the monthly rate of \$70.]

§ 532. [Widows] Surviving spouses of Civil War veterans

(a) The Administrator shall pay to the [widow] surviving spouse of each Civil War veteran who met the service requirements of this section a pension at the following monthly rate:

(1) \$40.64 if [she] such surviving spouse is below seventy years of age; or

(2) \$70 if [she] such surviving spouse is seventy years of age or older;

unless [she] *such surviving spouse* was the [wife] *spouse* of the veteran during [his] *such veteran's* service in the Civil War, in which case the monthly rate shall be \$75.

(b) If there is a child of the veteran, the rate of pension paid to the [widow] *surviving spouse* under subsection (a) shall be increased by \$8.13 per month for each such child.

(c) A veteran met the service requirements of this section if [he] *such veteran* served for ninety days or more in the active military or naval service during the Civil War, as heretofore defined under public laws administered by the Veterans' Administration, or if [he] *such veteran* was discharged or released from such service upon a surgeon's certificate of disability.

(d) No pension shall be paid to a [widow] *surviving spouse* of a veteran under this section unless [she] *such surviving spouse* was married to [him] *such veteran*—

- (1) before June 27, 1905; or
- (2) for one year or more; or
- (3) for any period of time if a child was born of the marriage or was born to them before the marriage.

§ 533. Children of Civil War veterans

Whenever there is no [widow] *surviving spouse* entitled to pension under section 532 of this title, the Administrator shall pay to the children of each Civil War veteran who met the service requirements of section 532 of this title a pension at the monthly rate of \$73.13 for one child, plus \$8.13 for each additional child, with the total amount equally divided.

§ 534. [Widows] *Surviving spouses* of Indian War veterans

(a) The Administrator shall pay to the [widow] *surviving spouse* of each Indian War veteran who met the service requirements of section 511 of this title a pension at the following monthly rate:

- (1) \$40.64 if [she] *such surviving spouse* is below seventy years of age; or
- (2) \$70 if [she] *such surviving spouse* is seventy years of age or older;

unless [she] *such surviving spouse* was the [wife] *spouse* of the veteran during [his] *such veteran's* service in one of the Indian Wars, in which case the monthly rate shall be \$75.

(b) If there is a child of the veteran, the rate of pension paid to the [widow] *surviving spouse* under subsection (a) shall be increased by \$8.13 per month for each such child.

(c) No pension shall be paid to a [widow] *surviving spouse* of a veteran under this section unless [she] *such surviving spouse* was married to [him] *such veteran*—

- (1) before March 4, 1917; or
- (2) for one year or more; or
- (3) for any period of time if a child was born of the marriage, or was born to them before the marriage.

§ 535. Children of Indian War veterans

Whenever there is no [widow] *surviving spouse* entitled to pension under section 534 of this title, the Administrator shall pay to the children of each Indian War veteran who met the service requirements of section 511 of this title a pension at the monthly rate of \$73.13 for one child, plus \$8.13 for each additional child, with the total amount equally divided.

§ 536. [Widows] *Surviving spouses* of Spanish-American War veterans

(a) The Administrator shall pay to the [widow] *surviving spouse* of each Spanish-American War veteran who met the service requirements of section 512(a) of this title a pension at the monthly rate of \$70, unless [she] *such surviving spouse* was the [wife] *spouse* of the veteran during [his] *such veteran's* service in the Spanish-American War, in which case the monthly rate shall be \$75.

(b) If there is a child of the veteran, the rate of pension paid to the [widow] *surviving spouse* under subsection (a) shall be increased by \$8.13 per month for each such child.

(c) No pension shall be paid to a [widow] *surviving spouse* of a veteran under this section unless [she] *such surviving spouse* was married to [him] *such veteran*—

- (1) before January 1, 1938; or
- (2) for one year or more; or
- (3) for any period of time if a child was born of the marriage, or was born to them before the marriage.

(d) (1) Any [widow] *surviving spouse* eligible for pension under this section shall, if [she] *such surviving spouse* so elects, be paid pension at the rates prescribed by section 541 of this title, and under the conditions (other than the service requirements) applicable to pension paid under that section to [widows] *surviving spouses* of veterans of World War I. If the pension is paid pursuant to such an election, the election shall be irrevocable, except as provided in paragraph (2).

(2) The Administrator shall pay each month to the [widow] *surviving spouse* of each Spanish-American War veteran who is receiving or entitled to receive, pension based on a need of regular aid and attendance, whichever amount is greater (A) that which is payable to [her] *such surviving spouse* under subsections (a) and (b) of this section as increased by section 544 of this title; or (B) that which is payable under section 541 of this title, as increased by such section 544, to a [widow] *surviving spouse* of a World War I veteran with the same annual income and corpus of estate. Each change in the amount of pension required by this paragraph shall be effective as of the first day of the month during which the facts of the particular case warrant such change, and shall be made without specific application therefor.

§ 537. Children of Spanish-American War veterans

Whenever there is no [widow] *surviving spouse* entitled to pension under section 536 of this title, the Administrator shall pay to the children of each Spanish-American War veteran who met the service requirements of section 512(a) of this title a pension at the monthly rate of \$73.13 for one child, plus \$8.13 for each additional child, with the total amount equally divided.

MEXICAN BORDER PERIOD, WORLD WAR I, WORLD WAR II, THE KOREAN CONFLICT AND THE VIETNAM ERA

§ 541. [Widows] *Surviving spouses of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans*

(a) The Administrator shall pay to the [widow] *surviving spouse* of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era who met the service requirements of section 521 of this title, or who at the time of [his] death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the rate prescribed by this section.

(b) (1) If there is no child, pension shall be paid to the *surviving spouse* according to the following formula: [If annual income is \$300 or less, the monthly rate of pension shall be \$108. For each \$1 of annual income in excess of \$300 up to and including \$600, the monthly rate shall be reduced 1 cent; for each \$1 of annual income in excess of \$600 up to and including \$900, the monthly rate shall be reduced 3 cents; for each \$1 of annual income in excess of \$900 up to and including \$2,100, the monthly rate shall be reduced 4 cents; and for each \$1 of annual income in excess of \$2,100 up to and including \$3,000, the monthly rate shall be reduced 5 cents; but in no event shall the monthly rate of pension be less than \$5. No pension shall be paid if annual income exceeds \$3,000.]

"The monthly rate of pension shall be \$117 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.01	\$300	600
.03	600	900
.04	900	1,500
.05	1,500	2,700
.06	2,700	3,300

(2) In no case may the amount of pension payable to any *surviving spouse* under this subsection be less than \$5 monthly.

(3) In no case may pension be paid under this subsection to any *surviving spouse* if the annual income of such *surviving spouse* exceeds \$3,300.

(c) (1) If there is a [widow] *surviving spouse* and one child, pension shall be paid to the *surviving spouse* according to the following formula: [If annual income is \$700 or less, the monthly rate of pension shall be \$128. For each \$1 of annual income in excess of

\$700 up to and including \$1,100, the monthly rate shall be reduced 1 cent; for each \$1 of annual income in excess of \$1,100 up to and including \$2,100, the monthly rate shall be reduced 2 cents; and for each \$1 of annual income in excess of \$2,100 up to and including \$3,000, the monthly rate shall be reduced 3 cents; and for each \$1 of annual income in excess of \$3,000 up to and including \$4,200, the monthly rate shall be reduced 4 cents. Whenever the monthly rate payable to the widow under the foregoing formula is less than the amount which would be payable to the child under section 542 of this title if the widow were not entitled, the widow will be paid at the child's rate. No pension shall be paid if the annual income exceeds \$4,200.]

"The monthly rate of pension shall be \$139 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$700
.01	\$700	1,100
.02	1,100	1,800
.03	1,800	2,700
.04	2,700	3,500
.05	3,500	4,500

(2) In no case may pension be paid under this subsection to any *surviving spouse* if the annual income of such *surviving spouse* exceeds \$4,500.

(3) Whenever the monthly rate payable to any *surviving spouse* under paragraph (1) of this subsection is less than the amount which would be payable for one child under section 542 of this title if the *surviving spouse* were not entitled, the *surviving spouse* shall be paid at the child's rate.

(d) If there is a [widow] *surviving spouse* and more than one child, the monthly rate payable under subsection (c) shall be increased by [\$20] \$22 for each additional child.

(e) No pension shall be paid to a [widow] *surviving spouse* of a veteran under this section unless [she] the *spouse* was married to [him] the veteran—

- (1) before (A) December 14, 1944, in the case of a [widow] *surviving spouse* of a Mexican border period or World War I veteran, or (B) January 1, 1957, in the case of a [widow] *surviving spouse* of a World War II veteran, or (C) February 1, 1965, in the case of a [widow] *surviving spouse* of a Korean conflict veteran, or (D) [before the expiration of ten years following termination of the Vietnam era] May 8, 1985, in the case of a [widow] *surviving spouse* of a Vietnam era veteran; or

(2) for one year or more; or

(3) for any period of time if a child was born of the marriage, or was born to them before the marriage.

(f) As used in this section and section 542 of this title, the term "veteran" includes a person who has completed at least two years of honorable active military, naval, or air service, as certified by the Secretary concerned, but whose death in such service was not in line of duty.

§ 542. Children of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans

(a) When there is no [widow] *surviving spouse* entitled to pension under section 541 of this title, the Administrator shall pay to the child or children of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at the time of [his] death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the monthly rate of [§49] \$53 for one child, and [§20] \$22 for each additional child.

(b) Pension prescribed by this section shall be paid to eligible children in equal shares.

(c) No pension shall be paid under this section to a child whose annual income, excluding earned income, exceeds [§2,400] \$2,700.

§ 543. Net worth limitation

The Administrator shall deny or discontinue payment of pension under sections 541 or 542 of this title to a [widow] *surviving spouse* or child when the corpus of the estate of the survivor concerned is such that under all the circumstances, including consideration of income, it is reasonable that some part of the corpus be consumed for the survivor's maintenance.

[WIDOWS] SURVIVING SPOUSES OF VETERANS OF ALL PERIODS OF WAR

§ 544. Aid and attendance allowance

If any [widow] *surviving spouse* is entitled to pension under this subchapter and is in need of regular aid and attendance, the monthly rate of pension payable to [her] *the surviving spouse* shall be increased by [§64] \$69.

Subchapter IV—Army, Navy, Air Force, and Coast Guard Medal of Honor Roll

§ 560. Medal of Honor Roll; persons eligible

(a) There shall be in the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Department of Transportation, respectively, a roll designated as the "Army, Navy, Air Force, and Coast Guard Medal of Honor Roll."

(b) Upon written application to the Secretary concerned, the Secretary shall enter and record on such roll the name of each surviving person who has served on active duty in the armed forces of the United States and who has been awarded a medal of honor for distinguishing [himself] *such person* conspicuously by gallantry and

intrepidity at the risk of [his] *such person's* life above and beyond the call of duty while so serving.

(c) Applications for entry on such roll shall be made in the form and under regulations prescribed by the Secretary concerned, and shall indicate whether or not the applicant desires to receive the special pension provided by section 562 of this title. Proper blanks and instructions shall be furnished by the Secretary concerned, without charge upon the request of any person claiming the benefits of this subchapter.

§ 561. Certificate

(a) The Secretary concerned shall determine whether or not each applicant is entitled to have [his] *such person's* name entered on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll. If the official award of the Medal of Honor to the applicant, or the official notice to [him] *such person* thereof, shows that the Medal of Honor was awarded to the applicant for an act described in section 560 of this title, such award or notice shall be sufficient to entitle the applicant to have [his] *such person's* name entered on such roll without further investigation; otherwise all official correspondence, orders, reports, recommendations, requests, and other evidence on file in any public office or department shall be considered.

(b) Each person whose name is entered on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll shall be furnished a certificate of service and of the act of heroism, gallantry, bravery, or intrepidity for which the Medal of Honor was awarded, of enrollment on such roll, and, if [he] *such person* has indicated [his] *such person's* desire to receive the special pension provided by section 562 of this title, of [his] *such person's* right to such special pension.

(c) The Secretary concerned shall deliver to the Administrator a certified copy of each certificate issued [by him] under subsection (b) in which the right of the person named in the certificate to the special pension provided by section 562 of this title is set forth. Such copy shall authorize the Administrator to pay such pension to the person named in the certificate.

§ 562. Special provisions relating to pension

(a) The Administrator shall pay monthly to each person whose name has been entered on the Army, Navy, Air Force, and Coast Guard Medal of Honor Roll, and a copy of whose certificate has been delivered to [him] *the Administrator* under subsection (c) of section 561 of this title, a special pension at the rate of \$100, beginning as of the date of application therefor under section 560 of this title.

(b) The receipt of special pension shall not deprive any person of any other pension or other benefit, right, or privilege to which [he] *such person* is or may hereafter be entitled under any existing or subsequent law. Special pension shall be paid in addition to all other payments under laws of the United States.

(c) Special pension shall not be subject to any attachment, execution, levy, tax lien, or detention under any process whatever.

(d) If any person has been awarded more than one medal of honor, [he] *such person* shall not receive more than one special pension.

* * * * *

Public Law 90-275

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SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be ~~[\$2,600]~~ \$2,900 and ~~[\$3,900]~~ \$4,200, instead of ~~[\$2,200]~~ \$2,600 and ~~[\$3,500]~~ \$3,900, respectively.

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Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans and Survivors Pension Interim Adjustment Act of 1975".

TITLE I—INTERIM ADJUSTMENTS IN CURRENT STATUTORY PENSION PROVISIONS

SEC. 101. Effective January 1, 1976, title 38, United States Code, is amended as follows:

(1) chapter 1 of title 38, United States Code, is amended—

(A) by striking out in paragraph (3) of section 101 "widow", "woman", "wife", "his", "him", "man", and "herself" each time they appear and inserting in lieu thereof "surviving spouse", "person of the opposite sex", "spouse", "the veteran's", "the veteran", "person", and "himself or herself", respectively;

(B) by striking out in the second sentence of paragraph (4) of section 101 "his support" and "his spouse" and inserting in lieu thereof "the person's support" and "the veteran's spouse", respectively;

(C) by striking out in paragraph (5) of section 101 "his" and inserting in lieu thereof "the veteran's";

(D) by striking out in paragraph (13) of section 101 "widow" and inserting in lieu thereof "surviving spouse";

(E) by striking out in paragraph (14) of section 101 "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(F) by striking out in paragraph (15) of section 101 "widow" and inserting in lieu thereof "surviving spouse"; and

(G) by adding at the end of section 101 the following new paragraph:

"(31) The term 'spouse' means a person of the opposite sex who is a wife or husband and the term 'surviving spouse' means a person of the opposite sex who is a widow or widower."; and

(2) chapter 15 of title 38, United States Code, is amended—

(A) by inserting in subsection (a) of section 503 "and" after the semicolon at the end of clause (16) of such subsection;

(B) by striking out in subsection (a) of section 541 "widow" and inserting in lieu thereof "surviving spouse" and by striking out "his" preceding the word "death";

(C) by striking out in subsection (e) of section 541 the language preceding clause (1) of such subsection and inserting in lieu thereof "No pension shall be paid to a surviving spouse of a veteran under this section unless the spouse was married to the veteran—" and by amending subclause (D) of clause (1) of such subsection, to read as follows: "(D) May 8, 1985, in the case of a surviving spouse of a Vietnam era veteran; or";

(D) by striking out in section 542 "widow" and inserting in lieu thereof "surviving spouse" and by striking out "his" preceding the word "death";

(E) by striking out in section 543 "widow" and inserting in lieu thereof "surviving spouse";

(F) by repealing sections 510 and 531;

(G) by striking out in the heading of subchapter III "Widows" and inserting in lieu thereof "Surviving Spouses";

(H) by striking out in the catchline of section 541 "Widows" and inserting in lieu thereof "Surviving Spouses";

(I) by striking out in the subheading of subchapter III immediately following section 543 "WIDOWS" and inserting in lieu thereof "SURVIVING SPOUSES"; and

(J) by amending the table of sections at the beginning of such chapter 15—

(i) by striking out

"510. Confederate forces veterans.";

(ii) by striking out

"SUBCHAPTER III—PENSIONS TO WIDOWS AND CHILDREN"
and inserting in lieu thereof

"SUBCHAPTER III—PENSIONS TO SURVIVING SPOUSES AND CHILDREN";

(iii) by striking out

"531. Widows of Mexican War veterans.";

(iv) by striking out

"541. Widows of Mexican border period, World War I, and World War II, Korean conflict, or Vietnam era veterans."

and inserting in lieu thereof

"541. Surviving spouses of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans."; and

(v) by striking out

"Widows of Veterans of All Periods of War"

and inserting in lieu thereof

"Surviving Spouses of Veterans of All Periods of War".

SEC. 102. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 521 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:

"(b) (1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's

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spouse) and has no child, pension shall be paid to the veteran according to the following formula :

"The monthly rate of pension shall be \$178 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0. 00	0	\$300
. 03	\$300	500
. 04	500	700
. 05	700	1, 200
. 06	1, 200	1, 700
. 07	1, 700	2, 000
. 08	2, 000	3. 300

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5 monthly.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$3,300.

"(c) (1) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child or children, pension shall be paid to the veteran according to the following formula :

"The monthly rate of pension for a veteran shall be— \$186 if such veteran has one such dependent; \$191 if such veteran has two such dependents; and \$196 if such veteran has three or more such dependents; reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0. 00	0	\$500
. 02	\$500	700
. 03	700	1, 300
. 04	1, 300	2, 800
. 05	2, 800	3, 200
. 06	3, 200	3, 800
. 08	3, 800	4, 500

"(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5 monthly.

"(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds \$4,500.";

(2) by striking out in subsection (d) "him" and "\$123" and inserting in lieu thereof "such veteran" and "\$133", respectively; and

(3) by striking out in subsection (e) "his", "him", and "\$49" and inserting in lieu thereof "such veteran's", "such veteran", and "\$53", respectively.

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SEC. 103. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 541 of title 38, United States Code, is amended—

(1) by amending subsections (b) and (c) to read as follows:
“(b) (1) If there is no child, pension shall be paid to the surviving spouse according to the following formula:

“The monthly rate of pension shall be \$117 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0. 00	0	\$300
. 01	\$300	600
. 03	600	900
. 04	900	1, 500
. 05	1, 500	2, 700
. 06	2, 700	3, 300

“(2) In no case may the amount of pension payable to any surviving spouse under this subsection be less than \$5 monthly.

“(3) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds \$3,300.

“(c) (1) If there is a surviving spouse and one child, pension shall be paid to the surviving spouse according to the following formula:

“The monthly rate of pension shall be \$139 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0. 00	0	\$700
. 01	\$700	1, 100
. 02	1, 100	1, 800
. 03	1, 800	2, 700
. 04	2, 700	3, 500
. 05	3, 500	4, 500

“(2) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds \$4,500.

“(3) Whenever the monthly rate payable to any surviving spouse under paragraph (1) of this subsection is less than the amount which would be payable for one child under section 542 of this title if the surviving spouse were not entitled, the surviving spouse shall be paid at the child’s rate.”; and

(2) by striking out in subsection (d) “widow” and “\$20” and inserting in lieu thereof “surviving spouse” and “\$22”, respectively.

SEC. 104. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 542 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) “\$49” and “\$20” and inserting in lieu thereof “\$53” and “\$22”, respectively; and

(2) by striking out in subsection (c) “\$2,400” and inserting in lieu thereof “\$2,700”.

SEC. 105. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 544 of title 38, United States Code, is amended to read as follows:

“§ 544. Aid and attendance allowance

“If any surviving spouse is entitled to pension under this subchapter and is in need of regular aid and attendance, the monthly rate of pension payable to the surviving spouse shall be increased by \$69.”

SEC. 106. Effective January 1, 1976, chapter 15 of title 38, United States Code, is amended—

- (1) by striking out in section 501(2) “him” and inserting in lieu thereof “such veteran”;
- (2) by striking out in subsections (a), (b), and (c) of section 502 “he” and “his” each time they appear and inserting in lieu thereof “such person” and “such veteran’s”, respectively;
- (3) by striking out in section 503(a)(7) “wife”, “his”, and “widow” and inserting in lieu thereof “spouse”, “such veteran’s”, and “surviving spouse”, respectively;
- (4) by striking out in subclauses (A), (B), and (C) of section 503(a)(7) “his” each time it appears and inserting in lieu thereof “such veteran’s”;
- (5) by striking out in subclauses (A) and (B) of section 503(a)(9) “his”, “widow”, and “wife” each time they appear and inserting in lieu thereof “such veteran’s”, “surviving spouse”, and “spouse”, respectively;
- (6) by striking out in section 503(a)(14) “his widow” and inserting in lieu thereof “such veteran’s surviving spouse”;
- (7) by striking out in section 503(a)(16) “his” and inserting in lieu thereof “such employee’s”;
- (8) by striking out in section 503(c) “widow” and inserting in lieu thereof “surviving spouse”;
- (9) by striking out in section 505(a) “his” each time it appears and inserting in lieu thereof “such individual’s”;
- (10) by striking out in section 505(b) “his wife” and inserting in lieu thereof “such veteran’s spouse”;
- (11) by striking out in section 505(c), including clauses (1) and (2), “widow” each time it appears and inserting in lieu thereof “surviving spouse”;
- (12) by striking out in section 506(a)(1) “he” and inserting in lieu thereof “the Administrator”;
- (13) by striking out in section 506(a)(2) “him”, “he”, and “his” each time they appear and inserting in lieu thereof “the Administrator”, “such person”, and “such person’s”, respectively;
- (14) by striking out in section 506(a)(3) “his” each time it appears and inserting in lieu thereof “such person’s”;
- (15) by striking out in section 507 “, in his discretion,”; by striking out in such section “his wife” and inserting in lieu thereof “such veteran’s spouse”; and by striking out in such section “wife” the second time it appears and inserting in lieu thereof “spouse”;
- (16) by striking out in subsections (b) and (c) of section 511 “he” each time it appears and inserting in lieu thereof “such veteran”;
- (17) by striking out in subsections (a) and (b) of section 512 “he” each time it appears and inserting in lieu thereof “such veteran”;

(18) by striking out in section 521 (g) "he" and inserting in lieu thereof "such veteran";

(19) by striking out in section 523 (b) "him" and inserting in lieu thereof "such veteran";

(20) by striking out in section 532 (a) "widow", "she", "wife", and "his" each time they appear and inserting in lieu thereof "surviving spouse", "such surviving spouse", "spouse", and "such veteran's", respectively;

(21) by striking out in subsections (b) and (c) of section 532 "widow" and "he" each time they appear and inserting in lieu thereof "surviving spouse" and "such veteran", respectively;

(22) by striking out in section 532 (d) "widow", "she", and "him" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(23) by striking out in the catchline of section 532 "Widows" and inserting in lieu thereof "Surviving spouses";

(24) by striking out in the table of sections at the beginning of such chapter 15

"532. Widows of Civil War veterans."

and inserting in lieu thereof

"532. Surviving spouses of Civil War veterans.";

(25) by striking out in section 533 "widow" and inserting in lieu thereof "surviving spouse";

(26) by striking out in section 534 (a) "widow", "she", "wife", and "his" each time they appear and inserting in lieu thereof "surviving spouse", "such surviving spouse", "spouse", and "such veteran's", respectively;

(27) by striking out in section 534 (b) "widow" and inserting in lieu thereof "surviving spouse";

(28) by striking out in section 534 (c) "widow", "she", and "him" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(29) by striking out in the catchline of section 534 "Widows" and inserting in lieu thereof "Surviving spouses";

(30) by striking out in the table of sections at the beginning of such chapter 15

"534. Widows of Indian War veterans."

and inserting in lieu thereof

"534. Surviving spouses of Indian War veterans.";

(31) by striking out in section 535 "widow" and inserting in lieu thereof "surviving spouse";

(32) by striking out in section 536 (a) "widow", "she", "wife", and "his" and inserting in lieu thereof "surviving spouse", "such surviving spouse", "spouse", and "such veteran's", respectively;

(33) by striking out in subsections (b) and (c) of section 536 "widow", "she", and "him" each time they appear and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(34) by striking out in section 536 (d) (1) "widow", "she", and "widows" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "surviving spouses", respectively;

(35) by striking out in section 536(d)(2) "widow" and inserting in lieu thereof "surviving spouse";

(36) by striking out in clauses (A) and (B) of section 536(d)(2) "her" and "widow" each time they appear and inserting in lieu thereof "such surviving spouse" and "surviving spouse", respectively;

(37) by striking out in the catchline of section 536 "Widows" and inserting in lieu thereof "Surviving spouses";

(38) by striking out in the table of sections at the beginning of such chapter 15

"536. Widows of Spanish-American War veterans."

and inserting in lieu thereof

"536. Surviving spouses of Spanish-American War veterans.":

(39) by striking out in section 537 "widow" and inserting in lieu thereof "surviving spouse";

(40) by striking out in subclauses (A), (B), and (C) of section 541(e)(1) "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(41) by striking out in section 560(b) "himself" and "his" and inserting in lieu thereof "such person" and "such person's", respectively;

(42) by striking out in subsections (a) and (b) of section 561 "his", "him", and "he" each time they appear and inserting in lieu thereof "such person's", "such person", and "such person", respectively;

(43) by striking out in section 561(c) "by him";

(44) by striking out in section 562(a) "him" and inserting in lieu thereof "the Administrator"; and

(45) by striking out in subsections (b) and (d) of section 562 "he" each time it appears and inserting in lieu thereof "such person".

SEC. 107. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 4 of Public Law 90-275 (82 Stat. 68) is amended to read as follows:

"Sec. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be \$2,900 and \$4,200, instead of \$2,600 and \$3,900, respectively."

TITLE II—INTERIM ADJUSTMENTS IN CURRENT STATUTORY PROVISIONS RELATING TO DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

SEC. 201. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 415 of title 38, United States Code, is amended—

(1) by redesignating paragraph (2) of subsection (b) as paragraph (4) of subsection (b) and by striking out in the redesignated paragraph (4) of subsection (b) "he", "him", and "his" each time they appear and inserting in lieu thereof "such parent", "such parent", and "such parent's", respectively;

(2) by amending paragraph (1) of subsection (b) to read as follows:
 “(b) (1) Except as provided in paragraph (4) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to the parent according to the following formula:

“The monthly rate of dependency and indemnity compensation shall be \$133 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0. 00	0	\$800
. 03	\$800	1, 000
. 04	1, 000	1, 200
. 05	1, 200	1, 500
. 06	1, 500	1, 700
. 08	1, 700	3, 300

“(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

“(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds \$3,300.”;

(3) by amending subsections (c) and (d) to read as follows:
 “(c) (1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula:

“The monthly rate of dependency and indemnity compensation shall be \$98 reduced by—	For each \$1 of annual income of such parent	
	Which is more than—	But not more than—
\$0. 00	0	\$800
. 02	\$800	1, 100
. 04	1, 100	1, 600
. 05	1, 600	2, 400
. 06	2, 400	3, 300

“(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

“(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds \$3,300.

“(d) (1) If there are two parents who are living together, or if a parent has remarried and is living with such parent’s spouse, depend-

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ency and indemnity compensation shall be paid to each such parent according to the following formula :

"The monthly rate of dependency and indemnity compensation shall be \$30 reduced by—"	For each \$1 of the total combined annual income	
	Which is more than—	But not more than—
\$0. 00	0	\$1, 000
. 02	\$1, 000	2, 300
. 03	2, 300	3, 300
. 04	3, 300	4, 500

"(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

"(3) In no case may dependency and indemnity compensation be paid under this subsection to a parent if the total combined annual income of the parent and such parent's spouse exceeds \$4,500."

(4) by striking out in subsection (e) "him" each time it appears and inserting in lieu thereof "the Administrator";

(5) by striking out in subsection (f) "he" and inserting in lieu thereof "the Administrator";

(6) by striking out in subsection (g) (1) (J) (ii) "his" and inserting in lieu thereof "such veteran's"; and

(7) by striking out in subsection (h) "\$64" and inserting in lieu thereof "\$69".

SEC. 202. Effective for the period beginning January 1, 1976, and ending September 30, 1976, section 322 of title 38, United States Code, is amended by striking out in subsection (b) "\$64" and inserting in lieu thereof "\$69".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*