

## INCREASE IN VETERANS' PENSIONS

DECEMBER 15, 1970.—Ordered to be printed

Mr. TALMADGE, from the Committee on Finance, submitted the following

## REPORT

[To accompany H.R. 15911]

The Committee on Finance, to which was referred the bill (H.R. 15911) to amend title 38 of the United States Code to increase the rates, income limitations, and aid and attendance allowances relating to payment of pension and parents' dependency and indemnity compensation; to exclude certain payments in determining annual income with respect to such pension and compensation; to make the Mexican border period a period of war for the purposes of such title; and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

## COMMITTEE AMENDMENT

The committee bill would strike the entire text of the House bill and insert in lieu thereof an amendment representing a different approach to pension increases, an approach continuing the philosophy of the pension program as it has existed in the past.

The committee bill would increase pension benefits to veterans and widows by up to 9 percent. The committee bill would also increase the income limitations, from \$2,000 to \$2,300 in the case of a veteran or widow alone, and from \$3,200 to \$3,600 in the case of a married veteran or widow with a child. Benefits would be raised \$160 million more than under existing law in the first full year the bill is effective.

Under present law, pension benefits are related to need; as income rises, pension benefits are lowered. The House bill departs from this philosophy by in effect guaranteeing that no pensioner will face a pension reduction no matter how much his social security benefits have been increased. Under the committee bill, more than 90 percent of pensioners under the current law will face no reduction in their pensions, even though social security benefits were raised 15 percent this

year—because the pension increases under the committee bill more than offset the reductions they would otherwise face next month. Those pensioners who would face a reduction are those who have received the largest social security increases this past year. The House bill would cost \$230 million annually, while the committee bill would cost \$160 million; the difference would almost entirely go to the pensioners with the greatest amounts of income other than their pensions. Other provisions in the House bill to which the committee could not agree tend to undermine the relationship between pensions and need. These provisions would eliminate the requirement that pensioners file an annual income questionnaire, and would require the Veterans' Administration to disregard certain types of income in determining a veteran's pension benefits.

#### NATURE OF PENSION BENEFITS

Since our Nation's independence was declared, some 40 million persons have served in its Armed Forces. After each major conflict in which the United States has been involved, benefits have been provided for veterans of the conflict. A major distinction is made between *service-connected benefits* for veterans who are disabled as a result of their military service or for the dependents of veterans who die as a result of service, and *non-service-connected benefits* which have been enacted not because of needs arising directly from military service, but on the ground that the Government owes a special obligation to those who were in military service during time of war but who are now in need.

Pensions are the major type of non-service-connected benefit. Non-service-connected pension benefits date back to the Revolutionary War, although they did not appear until 1818, 35 years after the Revolution ended. Such benefits have also been provided for veterans of every one of the major conflicts in which the United States has engaged. In the 19th century, pension laws were enacted many years after the conflict to which they pertained. Today, the same permanent pension laws apply to the veterans of World War I, World War II, the Korean conflict, and the Vietnam era. Under the current law, a veteran may be eligible for pension benefits if:

He served in the Armed Forces at least 90 days, including at least one day of service during wartime;

His income does not exceed limits specified in the law (currently \$2,000 if the veteran is single, \$3,200 if he has dependents);

He is permanently and totally disabled (for purposes of the pension law all veterans 65 or older are defined as permanently and totally disabled); and

His net worth does not exceed a limitation determined by the Veterans' Administration.

Widows and minor children of wartime veterans are also eligible for pension benefits if they are needy.

Before 1960, pensions for veterans of World War I, World War II, and the Korean Conflict were provided on the basis of a flat amount (generally \$78.75 per month) if the veteran's income did not exceed a specified figure—regardless whether his annual income was \$100 or \$1,000, and whether he was single or married. Legislation was enacted effective July 1, 1960, taking a first step in relating benefits more closely to need. Under the new law, married veterans were eligible for higher

benefits than single veterans, and veterans with less income were eligible for higher pensions than veterans with higher incomes. Veterans receiving benefits under the "old law" before 1960 were permitted to continue to do so if they wished to, but as pension benefits under the "new law" have been improved, many "old law" veterans have chosen to receive benefits under the current law.

### CHARACTERISTICS OF PENSIONERS

There are presently about 1.9 million pensioners; five-sixths of them receive benefits under the current law, while one-sixth continue to receive benefits under the "old law" in effect before 1960.

Pensioners are primarily older persons; 7 out of 10 veterans receiving pensions served in World War I, and three out of four widows receiving pensions were married to veterans with World War I service. The period of service for pensioners under the current law is shown in table 1 below.

TABLE 1.—*Pensioners under current law by period of military service*

	Veterans	Widows
World War I.....	490, 253	474, 860
World War II.....	347, 566	217, 604
Korean conflict.....	24, 109	18, 271
Vietnam era.....	1, 320	1, 303
Total.....	863, 248	712, 038

A significant number of pensioners under the current law have virtually no other source of income other than their pension. The income of pensioners (other than their pensions) is shown in table 2 following:

TABLE 2.—*Pensioners under current law by income other than pensions*

Income range	Veteran alone		Veteran with dependents		Widow alone		Widow with children	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$100.....	74, 700	25	56, 600	10	94, 500	17	8, 700	6
\$100 to \$500.....	13, 900	5	12, 100	2	32, 900	6	14, 700	10
\$500 to \$1,000.....	94, 300	32	100, 800	18	207, 200	36	38, 700	28
\$1,000 to \$1,500.....	73, 100	25	152, 300	27	182, 500	32	37, 400	26
\$1,500 to \$2,000.....	37, 300	13	132, 600	23	53, 700	9	16, 600	12
\$2,000 to \$2,500.....			56, 600	10			11, 100	8
\$2,500 to \$3,200.....			58, 900	10			14, 000	10
Total.....	293, 300	100	569, 900	100	570, 800	100	141, 200	100

The income pensioners have in addition to their pensions comes from a variety of sources, but three out of four pensioners are social security beneficiaries.

### VETERANS' PENSIONS AND SOCIAL SECURITY

As mentioned above, under current law pensions for veterans are related to need as measured primarily by income. Thus as social security benefits are increased, pension payments decrease. Since many pensioners are also social security beneficiaries, pressure builds up to insulate the pension from the effect of the social security increase.

Several approaches have been tried in the past to soften the impact of social security increases on veterans' pensions. In 1964, when a social security increase was pending in the Congress, a veterans' bill was passed allowing 10 percent of social security benefits (and other types of retirement income) to be disregarded in determining the amount of the pension payment. The remedy raised additional problems, however, for the 10 percent disregard created an inequitable distinction between those veterans who have income subject to the 10-percent exclusion and those who do not. A situation can arise in which two veterans with identical income (and thus identical need) receive different pension amounts.

In landmark legislation enacted in 1968, the pension program was thoroughly revised and improved. Pension benefits were much more closely related to need in order to end the previous situation under which a veteran could lose more in a pension reduction than he gained from a social security increase. In addition, the 1968 legislation provided for a disregard of the 1968 social security increase during 1968 and 1969. Unfortunately, this temporary-disregard approach also proved to have defects.

Under present law, an increase in social security benefits is not taken into account for pension purposes until the calendar year after it goes into effect. Thus the social security benefit increase which became effective in 1970 will have no impact on veterans' pensions until January 1971.

If no legislation is enacted in 1970, the Veterans' Administration estimates that about 1,230,000 pensioners—69 percent of those on the rolls under current law—will face a pension loss beginning January 1971. Of course, a veteran receiving a pension in 1971 would find that his total income will still be higher than it was before the social security benefit increase, since the pension reduction is considerably less than the social security increase.

Under the proposed pension schedule in the committee bill, only 160,000 pensioners—9 percent of those on the rolls under current law—would face a pension loss. This 9 percent represents the pensioners who have received a relatively substantial increase in social security benefits this year; their reduction under the committee bill would of course be less than under present law.

More than a million pensioners would face pension reductions next January under present law but not under the committee bill.

Under the committee bill, the discriminatory exclusion of 10 percent of social security and certain other types of income would be eliminated, but the increased pension schedule in the committee bill is so devised that no veteran or widow would receive a lower benefit

as a result of the elimination of the 10 percent exclusion. In fact, almost all pensioners would receive some increase.

### INCOME LIMITATIONS

Under present law pension benefits are related to income, but no veteran or widow alone is eligible for a pension if his or her income exceeds \$2,000. The committee bill would increase the income limitation from \$2,000 to \$2,300.

The income limitation for veterans or widows with dependents would be increased from \$3,200 to \$3,600.

### REVISED PENSION SCHEDULES

Pension benefits under present law and under the committee bill are shown in the following tables:

TABLE 3.—*Veteran alone*

Annual income		Monthly pension	
More than—	But equal to or less than—	Present law	Committee bill
-----	\$300	\$110	\$120
\$300	400	108	120
400	500	106	117
500	600	104	114
600	700	100	110
700	800	96	106
800	900	92	102
900	1,000	88	98
1,000	1,100	84	94
1,100	1,200	79	90
1,200	1,300	75	86
1,300	1,400	69	81
1,400	1,500	63	76
1,500	1,600	57	70
1,600	1,700	51	64
1,700	1,800	45	58
1,800	1,900	37	52
1,900	2,000	29	46
2,000	2,100	-----	38
2,100	2,200	-----	34
2,200	2,300	-----	30

Annual income		Monthly pension					
More than—	But equal to or less than—	Veteran with 1 dependent		Veteran with 2 dependents		Veteran with 3 or more dependents	
		Present law	Committee bill	Present bill	Committee bill	Present law	Committee bill
-----	\$500	\$120	\$130	\$125	\$135	\$130	\$140
\$500	600	118	130	123	135	128	140
600	700	116	128	121	133	126	137
700	800	114	126	119	131	124	134
800	900	112	124	117	129	122	131
900	1,000	109	122	114	127	119	128
1,000	1,100	107	120	107	125	107	125
1,100	1,200	105	118	105	122	105	122
1,200	1,300	103	116	103	119	103	119
1,300	1,400	101	114	101	116	101	116
1,400	1,500	99	112	99	113	99	113
1,500	1,600	96	110	96	110	96	110
1,600	1,700	93	107	93	107	93	107
1,700	1,800	90	104	90	104	90	104
1,800	1,900	87	101	87	101	87	101
1,900	2,000	84	98	84	98	84	98
2,000	2,100	81	95	81	95	81	95
2,100	2,200	78	92	78	92	78	92
2,200	2,300	75	89	75	89	75	89
2,300	2,400	72	86	72	86	72	86
2,400	2,500	69	83	69	83	69	83
2,500	2,600	66	80	66	80	66	80
2,600	2,700	62	77	62	77	62	77
2,700	2,800	58	74	58	74	58	74
2,800	2,900	54	71	54	71	54	71
2,900	3,000	50	68	50	68	50	68
3,000	3,100	42	64	42	64	42	64
3,100	3,200	34	60	34	60	34	60
3,200	3,300	-----	56	-----	56	-----	56
3,300	3,400	-----	51	-----	51	-----	51
3,400	3,500	-----	43	-----	43	-----	43
3,500	3,600	-----	35	-----	35	-----	35

TABLE 5.—*Widow alone*

Annual income		Monthly pension	
More than—	But equal to or less than—	Present law	Committee bill
-----	\$300	\$74	\$80
\$300	400	73	80
400	500	72	78
500	600	70	76
600	700	67	74
700	800	64	72
800	900	61	69
900	1,000	58	66
1,000	1,100	55	63
1,100	1,200	51	60
1,200	1,300	48	57
1,300	1,400	45	54
1,400	1,500	41	51
1,500	1,600	37	47
1,600	1,700	33	43
1,700	1,800	29	39
1,800	1,900	23	35
1,900	2,000	17	30
2,000	2,100	-----	24
2,100	2,200	-----	21
2,200	2,300	-----	18



TABLE 6.—Widow with one child

Annual income		Monthly pension	
More than—	But equal to or less than—	Present law	Committee bill
-----	\$600	\$90	\$97
\$600	700	89	96
700	800	88	95
800	900	87	94
900	1, 000	86	93
1, 000	1, 100	85	92
1, 100	1, 200	83	91
1, 200	1, 300	81	89
1, 300	1, 400	79	87
1, 400	1, 500	77	85
1, 500	1, 600	75	83
1, 600	1, 700	73	81
1, 700	1, 800	71	79
1, 800	1, 900	69	77
1, 900	2, 000	67	75
2, 000	2, 100	65	73
2, 100	2, 200	63	71
2, 200	2, 300	61	69
2, 300	2, 400	59	67
2, 400	2, 500	57	65
2, 500	2, 600	55	63
2, 600	2, 700	53	61
2, 700	2, 800	51	59
2, 800	2, 900	48	57
2, 900	3, 000	45	55
3, 000	3, 100	43	53
3, 100	3, 200	41	51
3, 200	3, 300	-----	49
3, 300	3, 400	-----	47
3, 400	3, 500	-----	45
3, 500	3, 600	-----	42

## EFFECT OF COMMITTEE BILL

The effect of the committee bill is illustrated in the following examples.

A veteran with no dependents who received a social security benefit of \$85.90 in December 1969, was eligible for a pension of \$88, for a total monthly income of \$173.90. The Congress increased his social security benefit to \$98.80 in 1970. Under present law, his monthly pension would be cut \$4 in January 1971, for a total income of \$182.80. Under the committee bill, not only would his pension not be cut—it would actually be increased \$2. Thus, the veteran would get both the full benefit of his social security increase plus an additional small increase in his pension for a total income of \$188.80.

A married veteran whose social security benefit in December 1969, was \$112.70 was eligible for a \$103 monthly veterans' pension, for a total income of \$215.70. The Congress increased his social security benefit to \$129.60 in 1970. Under present law, his pension will be cut

to \$101 next January, making his total income \$230.60. Under the committee bill, his pension will be increased to \$110 instead of cut, and he will have the full benefit of the social security increase plus a \$7 pension increase for a total income of \$239.60.

A widow with one child whose monthly social security benefit in December 1969, was \$106 was eligible for an \$83 widow's pension for a total income of \$189. The Congress increased her social security benefit to \$122 in 1970. Under present law her pension would drop to \$79 in January 1971, bringing her total income to \$201. Under the committee bill, her pension will not be cut, but instead will be raised to \$85, giving her the full benefit of her social security benefit increase and raising her total income to \$207.

#### DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

Present law provides monthly benefits to the survivors of veterans whose death was related to their military service. Benefits to widows of these veterans were most recently increased in 1969.

The parents of a serviceman or veteran whose death was service-connected may also receive dependency and indemnity compensation. Like pension benefits for veterans and widows, dependency and indemnity compensation payments to parents are related to the income of the parents. The committee bill would provide increases in the parents' dependency and indemnity compensation schedules as shown in the tables following:

TABLE 7.—*Dependency and indemnity compensation payments to parents of deceased veterans or servicemen whose deaths are service connected*

[1 parent]

Annual income		Monthly pension	
More than—	But equal to or less than—	Present law	Committee bill
-----	\$800	\$87	\$94
\$800	900	81	90
900	1,000	75	86
1,000	1,100	69	82
1,100	1,200	62	76
1,200	1,300	54	69
1,300	1,400	46	62
1,400	1,500	38	55
1,500	1,600	31	48
1,600	1,700	25	41
1,700	1,800	18	34
1,800	1,900	12	28
1,900	2,000	10	22
2,000	2,100	-----	16
2,100	2,200	-----	14
2,200	2,300	-----	12

TABLE 8.—*Dependency and indemnity compensation payments to parents of deceased veterans or servicemen whose deaths are service connected*

[2 parents not living together]

Annual income other than DIC		Monthly payment, each parent	
More than—	But equal to or less than—	Present law	Committee bill
-----	\$800	\$58	\$63
\$800	900	54	61
900	1, 000	50	58
1, 000	1, 100	46	54
1, 100	1, 200	41	51
1, 200	1, 300	35	47
1, 300	1, 400	29	42
1, 400	1, 500	23	37
1, 500	1, 600	20	32
1, 600	1, 700	16	28
1, 700	1, 800	12	24
1, 800	1, 900	11	21
1, 900	2, 000	10	18
2, 000	2, 100	-----	15
2, 100	2, 200	-----	13
2, 200	2, 300	-----	12

TABLE 9.—*Dependency and indemnity compensation payments to parents of deceased veterans or servicemen whose deaths are service connected*

[2 parents living together]

Combined annual income other than DIC		Monthly payment, each parent	
More than—	But equal to or less than—	Present law	Committee bill
-----	\$1, 000	\$58	\$63
\$1, 000	1, 100	56	62
1, 100	1, 200	54	60
1, 200	1, 300	52	58
1, 300	1, 400	49	56
1, 400	1, 500	46	54
1, 500	1, 600	44	52
1, 600	1, 700	42	50
1, 700	1, 800	40	48
1, 800	1, 900	38	46
1, 900	2, 000	35	44
2, 000	2, 100	33	42
2, 100	2, 200	31	40
2, 200	2, 300	29	38
2, 300	2, 400	26	36
2, 400	2, 500	23	34
2, 500	2, 600	21	32
2, 600	2, 700	19	30
2, 700	2, 800	17	28
2, 800	2, 900	15	26
2, 900	3, 000	12	24
3, 000	3, 100	11	22
3, 100	3, 200	10	20
3, 200	3, 300	-----	18
3, 300	3, 400	-----	16
3, 400	3, 500	-----	14
3, 500	3, 600	-----	12

## Cost

The Veterans' Administration estimates that the committee bill would increase pension and dependency and indemnity compensation payments by \$160 million over present law in the first full year of effectiveness.

CHANGES IN EXISTING LAW MADE BY THE BILL AS REPORTED

In compliance 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 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 subsection (b)(2), if there is only one parent, dependency and indemnity compensation shall be paid to him at a monthly rate equal to the amount under column II of the following table opposite his total annual income as shown in column I:

Column I		Column II
Total annual income		
More than—	but Equal to or less than—	
----- \$800	\$800	\$87
900	900	81
1,000	1,000	75
1,100	1,100	69
1,200	1,200	62
1,300	1,300	54
1,400	1,400	46
1,500	1,500	38
1,600	1,600	31
1,700	1,700	25
1,800	1,800	18
1,900	1,900	12
1,900	2,000	10

Column I		Column II
Total annual income		
More than—	but Equal to or less than—	
----- \$800	\$800	\$84
900	900	80
1,000	1,000	86
1,100	1,100	82
1,200	1,200	76
1,300	1,300	69
1,400	1,400	62
1,500	1,500	55
1,600	1,600	48
1,700	1,700	41
1,800	1,800	34
1,900	1,900	28
1,900	2,000	22
2,000	2,100	16
2,100	2,200	14
2,200	2,300	12

(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 table in subsection (b)(1) or the table 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 table.

(c) Except as provided in subsection (d), if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each at a monthly rate equal to the amount under column II of the following table opposite the total annual income of each as shown in column I:

Column I		Column II
Total annual income		
More than—	but Equal to or less than—	
----- \$800	\$800	\$58
900	900	54
1,000	1,000	50
1,100	1,100	46
1,200	1,200	41
1,300	1,300	35
1,400	1,400	29
1,500	1,500	23
1,600	1,600	20
1,700	1,700	16
1,800	1,800	12
1,900	1,900	11
2,000	2,000	10

Column I		Column II
Total annual income		
More than—	but Equal to or less than—	
----- \$800	\$800	\$65
900	900	61
1,000	1,000	58
1,100	1,100	54
1,200	1,200	51
1,300	1,300	47
1,400	1,400	43
1,500	1,500	37
1,600	1,600	32
1,700	1,700	28
1,800	1,800	24
1,900	1,900	21
2,000	2,000	18
2,100	2,100	15
2,200	2,200	13
2,300	2,300	12

(d) If there are two parents who are living together, or if a parent has remarried and is living with his spouse, dependency and indemnity compensation shall be paid to each such parent at a monthly rate equal to the amount under column II of the following table opposite the total combined annual income of the parents, or of the parent and his spouse, as the case may be, as shown in column I:

Column I		Column II
Total combined annual income		
More than— but		Equal to or less than—
----- \$1,000	\$1,000	\$58
1,100	1,100	56
1,200	1,200	54
1,300	1,300	52
1,400	1,400	49
1,500	1,500	46
1,600	1,600	44
1,700	1,700	42
1,800	1,800	40
1,900	1,900	38
2,000	2,000	35
2,100	2,100	33
2,200	2,200	31
2,300	2,300	29
2,400	2,400	26
2,500	2,500	23
2,600	2,600	21
2,700	2,700	19
2,800	2,800	17
2,900	2,900	15
3,000	3,000	12
3,100	3,100	11
3,200	3,200	10

Column I		Column II
Total combined annual income		
More than— but		Equal to or less than—
----- \$1,000	\$1,000	\$63
1,100	1,100	62
1,200	1,200	60
1,300	1,300	58
1,400	1,400	56
1,500	1,500	54
1,600	1,600	52
1,700	1,700	50
1,800	1,800	48
1,900	1,900	46
2,000	2,000	44
2,100	2,100	42
2,200	2,200	40
2,300	2,300	38
2,400	2,400	36
2,500	2,500	34
2,600	2,600	32
2,700	2,700	30
2,800	2,800	28
2,900	2,900	26
3,000	3,000	24
3,100	3,100	22
3,200	3,200	20
3,300	3,300	18
3,400	3,400	16
3,500	3,500	14
3,600	3,600	12

\* \* \* \* \*

(g) (1) In determining income under his 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;

(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 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.

\* \* \* \* \*

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

\* \* \* \* \*

### Subchapter I—General

\* \* \* \* \*

#### § 503. Determinations with respect to annual income

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 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 of a veteran for the expenses of his last illness, and by a widow or child of a deceased veteran for—

(A) his just debts,

(B) the expenses of his last illness, and

(C) the expenses of his 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 deceased spouse or child or (B) by a widow or a wife of a veteran for the last illness and burial of a child of such 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.

\* \* \* \* \*

#### NON-SERVICE-CONNECTED DISABILITY PENSION

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

(a) The Administrator shall pay to each veteran of 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) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his spouse) and has no child, pension shall be paid at the monthly rate set forth in column II of the following table opposite the veteran's annual income as shown in column I:

Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	\$300	\$110
	400	108
	500	106
	600	104
	700	100
	800	96
	900	92
	1,000	88
	1,100	84
	1,200	79
	1,300	75
	1,400	69
	1,500	63
	1,600	57
	1,700	51
	1,800	45
	1,900	37
	2,000	29

Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	\$400	\$180
	500	117
	600	114
	700	110
	800	106
	900	102
	1,000	98
	1,100	94
	1,200	90
	1,300	86
	1,400	81
	1,500	76
	1,600	70
	1,700	64
	1,800	58
	1,900	52
	2,000	46
	2,100	38
	2,200	34
	2,300	30

(c) If the veteran is married and living with or reasonably contributing to the support of his spouse, or has a child or children, pension shall be paid at the monthly rate set forth in columns II, III, or IV of the following table opposite the veteran's annual income as shown in column I:

Column I		Column II	Column III	Column IV
Annual income		One dependent	Two dependents	Three or more dependents
More than—	but Equal to or less than—			
	\$500	\$120	\$125	\$130
\$500	600	118	123	128
600	700	116	121	126
700	800	114	119	124
800	900	112	117	122
900	1,000	109	114	119
1,000	1,100	107	107	107
1,100	1,200	105	105	105
1,200	1,300	103	103	103
1,300	1,400	101	101	101
1,400	1,500	99	99	99
1,500	1,600	96	96	96
1,600	1,700	93	93	93
1,700	1,800	90	90	90
1,800	1,900	87	87	87
1,900	2,000	84	84	84
2,000	2,100	81	81	81
2,100	2,200	78	78	78
2,200	2,300	75	75	75
2,300	2,400	72	72	72
2,400	2,500	69	69	69
2,500	2,600	66	66	66
2,600	2,700	62	62	62
2,700	2,800	58	58	58
2,800	2,900	54	54	54
2,900	3,000	50	50	50
3,000	3,100	42	42	42
3,100	3,200	34	34	34

Column I		Column II	Column III	Column IV
Annual income		One dependent	Two dependents	Three or more dependents
More than—	but Equal to or less than—			
	\$600	\$130	\$135	\$140
\$600	700	128	133	137
700	800	126	131	134
800	900	124	129	131
900	1,000	122	127	128
1,000	1,100	120	125	125
1,100	1,200	118	122	122
1,200	1,300	116	119	119
1,300	1,400	114	116	116
1,400	1,500	112	113	113
1,500	1,600	110	110	110
1,600	1,700	107	107	107
1,700	1,800	104	104	104
1,800	1,900	101	101	101
1,900	2,000	98	98	98
2,000	2,100	95	95	95
2,100	2,200	92	92	92
2,200	2,300	89	89	89
2,300	2,400	86	86	86
2,400	2,500	83	83	83
2,500	2,600	80	80	80
2,600	2,700	77	77	77
2,700	2,800	74	74	74
2,800	2,900	71	71	71
2,900	3,000	68	68	68
3,000	3,100	64	64	64
3,100	3,200	60	60	60
3,200	3,300	56	56	56
3,300	3,400	51	51	51
3,400	3,500	45	45	45
3,500	3,600	35	35	35

\* \* \* \* \*

### Subchapter III—Pensions to Widows and Children

\* \* \* \* \*

WORLD WAR I, WORLD WAR II, THE KOREAN CONFLICT, AND THE  
VIETNAM ERA

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

(a) The Administrator shall pay to the widow of each veteran of 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) If there is no child, pension shall be paid at the monthly rate set forth in column II of the following table opposite the widow's annual income as shown in column I:

Column I		Column II
Annual income		
More than—	but Equal to or less than—	
----- \$300	\$300	\$74
400	400	73
500	500	72
600	600	70
700	700	67
800	800	64
900	900	61
1,000	1,000	58
1,100	1,100	55
1,200	1,200	51
1,300	1,300	48
1,400	1,400	45
1,500	1,500	41
1,600	1,600	37
1,700	1,700	33
1,800	1,800	29
1,900	1,900	23
2,000	2,000	17

Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	\$400	\$80
\$400	500	78
500	600	76
600	700	74
700	800	72
800	900	69
900	1,000	66
1,000	1,100	65
1,100	1,200	60
1,200	1,300	57
1,300	1,400	54
1,400	1,500	51
1,500	1,600	47
1,600	1,700	45
1,700	1,800	39
1,800	1,900	35
1,900	2,000	30
2,000	2,100	24
2,100	2,200	21
2,200	2,300	18

(c) If there is a widow and one child, pension shall be paid at the monthly rate set forth in column II of the following table opposite the widow's annual income as shown in column I:

Column I		Column II
Annual income		
More than—	but Equal to or less than—	
	\$600	\$90
600	700	89
700	800	88
800	900	87
900	1,000	86
1,000	1,100	85
1,100	1,200	83
1,200	1,300	81
1,300	1,400	79
1,400	1,500	77
1,500	1,600	75
1,600	1,700	73
1,700	1,800	71
1,800	1,900	69
1,900	2,000	67
2,000	2,100	65
2,100	2,200	63
2,200	2,300	61
2,300	2,400	59
2,400	2,500	57
2,500	2,600	55
2,600	2,700	53
2,700	2,800	51
2,800	2,900	48
2,900	3,000	45
3,000	3,100	43
3,100	3,200	41

Column I		Column II
Annual income		
More than--	but	Equal to or less than--
	\$600	\$97
\$600	700	96
700	800	95
800	900	94
900	1,000	93
1,000	1,100	92
1,100	1,200	91
1,200	1,300	89
1,300	1,400	87
1,400	1,500	86
1,500	1,600	85
1,600	1,700	81
1,700	1,800	79
1,800	1,900	77
1,900	2,000	75
2,000	2,100	73
2,100	2,200	71
2,200	2,300	69
2,300	2,400	67
2,400	2,500	66
2,500	2,600	63
2,600	2,700	61
2,700	2,800	59
2,800	2,900	57
2,900	3,000	55
3,000	3,100	53
3,100	3,200	51
3,200	3,300	49
3,300	3,400	47
3,400	3,500	45
3,500	3,600	42

(d)<sup>3</sup> If there is a widow and more than one child, the monthly rate payable under subsection (c) shall be increased by **[\$16]** \$17 for each additional child.

\* \* \* \* \*

**§ 542. Children of 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 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 **[\$40]** \$43 for one child, and **[\$16]** \$17 for each additional child.

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