

INCREASED PAYMENTS FOR WIDOWS OF VETERANS DYING FROM SERVICE-CONNECTED DISABILITIES

SEPTEMBER 12, 1963.—Ordered to be printed

Mr. BYRD of Virginia, from the Committee on Finance, submitted
the following

REPORT

[To accompany H.R. 5250]

The Committee on Finance, to whom was referred the bill (H.R. 5250) to amend section 411(a) of title 38, United States Code, to increase the rates of dependency and indemnity compensation payable to widows of veterans dying from service-connected disabilities, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

Under the provisions of Public Law 881, 84th Congress, effective January 1, 1957, dependency and indemnity compensation is payable to widows, children, and parents based on the service-connected deaths of their husbands, fathers, and children, respectively. Specific monthly rates are provided for children and parents. However, the widow is paid at the monthly rate of \$112 plus 12 percent of the basic pay of her deceased husband. This is now set forth in chapter 13, title 38, United States Code. This bill would increase to \$120 the \$112 factor of the widows' rate.

It will be noted that as the service pay is increased, the widows' rates are automatically increased. The basic service pay was increased on June 1, 1958, by Public Law 85-422. H.R. 5555, which is awaiting conference action, would further increase the basic rates of military pay. If this latter bill is enacted into law and the subject bill is approved the net result will be an average increase in the widows' rates of approximately 10 percent since the enactment of Public Law 881. This increase would be commensurate with the cost-of-living increase of 10 percent in dependency and indemnity com-

compensation rates for parents and children recently authorized by Public Law 88-21.

The bill has been amended to make it effective at the same time that H.R. 5555, the Uniformed Services Pay Act is effective, or on January 1, 1964, whichever first occurs.

The estimated cost of the bill is \$11,779,000 the first year affecting 122,700 widows. The cost will remain the same for the following 4 years.

The bill is recommended by the Veterans' Administration.

The favorable report of that agency follows:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
August 30, 1963.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Further reference is made to your request for a report on H.R. 5250, 88th Congress.

The purpose of the bill is to increase the monthly rates of dependency and indemnity compensation payable to widows of veterans dying from service-connected causes.

Chapter 13 of title 38, United States Code (dependency and indemnity compensation) restates a portion of the Servicemen's and Veterans' Survivor Benefits Act (Public Law 881, 84th Cong., Aug. 1, 1956). This act established a new and modernized benefits program of dependency and indemnity compensation for survivors of veterans dying from service-connected causes on or after January 1, 1957.

The rate of dependency and indemnity compensation payable to widows is geared to basic active service pay. The widow is paid at a monthly rate equal to \$112 plus 12 percent of the basic pay of her deceased husband. As the service pay is increased, the widows' rates under this program are automatically increased. The basic service pay was last increased June 1, 1958 (Public Law 85-422). H.R. 5250 proposes to increase to \$120 the \$112 which is the constant factor in each widow's dependency and indemnity compensation rate.

As you know, H.R. 5555, 88th Congress (the proposed Uniformed Services Pay Act of 1963), which would increase basic rates of military pay, passed the House of Representatives on May 8, 1963, and the Senate, with amendments, on August 6, 1963. Further action on the bill is awaiting resolution by the conference committee. The increase proposed by H.R. 5250 when added to (a) the increase stemming from the 1958 Service Pay Act and (b) the increase which would automatically result from H.R. 5555 if enacted with the rates prescribed in the bill as passed by the Senate would total an average increase in widows' rates of approximately 10 percent since the inception of the dependency and indemnity compensation program. This increase is commensurate with the cost-of-living increase of 10 percent in dependency and indemnity compensation rates for parents and children recently authorized by Public Law 88-21.

It is estimated that H.R. 5250 would benefit approximately 122,700 widows the first year at a cost of \$11,779,000. It is believed that the cost will remain about the same for the next 4 years.

In line with the foregoing comment, I recommend favorable consideration of the bill by the committee.

The Bureau of the Budget advised that there was no objection to the presentation of a comparable report on H.R. 5250 to the Committee on Veterans' Affairs, House of Representatives, from the standpoint of the administration's program.

Sincerely,

J. S. GLEASON, Jr., *Administrator.*

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