



Gold Star Wives of America, Inc

Dependency and Indemnity Compensation Fact Sheet December 2023

Dependency and Indemnity Compensation (DIC) is a tax-free monetary benefit administered by the US Department of Veterans Affairs (VA). This benefit is paid monthly, primarily to survivors of service members who died in the line of duty or as a result of service-connected causes.

DIC is an indemnity payment with the purpose of replacing a portion of the family income lost as a result of the service member/veteran's death.

DIC has been paid in some form to survivors since the Revolutionary War.

There are two types of DIC for survivors:

Flat Rate DIC: A DIC recipient whose service member/veteran's death was on or **after** January 1, 1993 currently receives a flat rate of \$1612.75 per month (12/1/23).

Rank-Based DIC: A DIC recipient whose service member/veteran's death was **before** January 1, 1993, receives DIC based on the rank (pay grade) of the service member. A DIC recipient whose service member/veteran's rank was E1-E6 currently receives \$1612.75. A DIC recipient whose veteran's rank was E7 or above receives a higher amount based on rank.

DIC has only been increased by Cost of Living Adjustments (COLAs) since 1993.

The latest statistics from the Veterans Benefit Administration Annual Benefits Report of Fiscal Year 2021, updated as of June 30, 2022, indicates that 442,5198 surviving spouses receive DIC.

A 100% disabled, married Veteran receives monthly compensation in the amount of \$3,946.25. When that Veteran or a service member dies, the compensation drops to 43% of a **single** Veteran's compensation (\$3,737.95). This is a significant drop in monthly income, although the family's fixed expenses, such as the mortgage, remains the same. By contrast, if a Federal Government employee dies, the surviving spouse can receive up to 55% of the employee's salary.

Senator Jon Tester (D-MT) and Senator John Boozman (R-AR) introduced the **Caring for Survivors Act of 2023 Bill # S.414**. This bill will ensure that those who receive DIC payments would have their compensation raised from 43% to equal 55% of a single 100% disabled veteran's compensation and would bring parity with other Federal survivor programs.

Representative Jahana Hayes (D-CT) along with Representative Brian Fitzpatrick (R-PA) introduced the companion bill **H.R. 1083**. This bill will ensure that those who receive DIC payments would have their compensation raised from 43% to equal 55% of a single 100% disabled veteran's compensation and would bring parity with other Federal survivor programs.