

Statement of

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Gold Star Wives of America, Inc.

Before the  
Committee on Veterans' Affairs  
United State House of Representatives  
And the  
Committee on Veterans' Affairs  
United States Senate

Concerning  
The Legislative Agenda of Gold Star Wives of America, Inc., for the Second Session of  
the 105<sup>th</sup> Congress

March 25, 1998

Messrs. Chairmen and Distinguished Members of the Committees:

On behalf of Gold Star Wives of America, Inc., I wish to thank these two important Committees for affording Gold Star Wives of America, Inc., the opportunity to present the most important concerns facing our members who are the surviving spouses of military service members who died on active duty or as a result of service-connected disabilities. Gold Star Wives of America is a federally chartered veterans service organization with a membership of 12,000. Our membership is comprised almost exclusively of women. By far, the most important VA benefit to the members of Gold Star Wives of America is their Dependency and Indemnity Compensation (DIC).

The total number of surviving spouses receiving Dependency and Indemnity Compensation (DIC) is almost 280,000; of whom 117,000 are World War II widows. (*Annual Report of the Secretary of the Department of Veterans' Affairs, F.Y. 1996, Table 50, p. 137*). The average age of a widowed entrant into the DIC program is 61 years, although 11% of new widowed DIC entrants are under the age of 40; our median income (in 1993) which includes our DIC benefit is only \$16,400.00 per year; and our attrition rate due to death and remarriage (in 1994) is 2%. (*GAO Report to Congressional Committees, Veterans' Benefits — Basing Survivors' Compensation on Veterans' Disability is a Viable Option*, March 1995, pp. 13, 28, 15, 13, respectively) (*GAO Report, hereinafter*). Since the DIC surviving spouse population is comprised almost exclusively of women, we will refer to them in the female gender in this statement.

Gold Star Wives of America seeks the assistance of these two Veterans' Affairs Committees of the 105<sup>th</sup> Congress to address the following needs and concerns of the widows of those who died for their country:

**REINSTATEMENT OF DIC AFTER TERMINATION OF REMARRIAGE:**

**WE SUPPORT H.R. 2004**

Of all our issues, we hold this one as our top priority. It has been over seven years since Congress reneged in honoring the death benefit package promised to our husbands who died for this country. A ray of hope came last summer when Congressmen Bob Filner (D-CA) and Lane Evans (D-IL) introduced a

bill, H.R. 2004, providing for reinstatement of the DIC remarriage reinstatement program. We thank both Congressmen for their wonderful support. But the bill remains in Committee because, we are told, it has been estimated by CBO to cost \$400 million over 5 years. We know the bill will not cost nearly this much because the loss of DIC reinstatement has caused the remarriage rate to decline by 1/3 and 1/2 since passage of OBRA of 1990. We expect the remarriage rate to further decline since DVA only recently informed DIC widows of the lost benefit last year. The cost of our foregone remarriages has not been factored into the CBO cost estimate. Similarly, the expected OBRA savings never remotely approached the expected \$374 million because we widows reacted to the lost benefit by not remarrying.

Gold Star Wives do not believe money is the issue. Our country is currently enjoying the unprecedented economic spoils of the \$150 billion peace dividend earned, in part, by our sacrifices. The money is there. If money were the issue, and if dismantling the DIC reinstatement program were really about producing savings, Congress would have dismantled all other federal survivor remarriage reinstatement programs, including their own, when it dismantled ours. Instead, every other federal survivor reinstatement program remains more generous than ours ever was, and since OBRA of 1990, at least one such program (CIA) has been enhanced.

We have been told by some Congressional staffers that the reasons we lost our DIC reinstatement program were because Congress belatedly determined that our husbands had not paid enough for the benefit after all; and because a remarried widow was no longer deemed to be her dead husband's widow -- the implication was that she had been somehow disloyal. These beliefs are not shared by the veterans community. We have considerable support among veterans, including The Military Coalition, the National Military/Veterans Alliance, the Disabled American Veterans, American Legion, and others, who view the broken promise of death benefits as inequitable, and a betrayal.

Gold Star Wives of America, Inc. respectfully requests that the Members of the House Committee lead Congress to restore the ideals for which our husbands died by promptly signing on to H.R. 2004, introduced by Rep. Filner (D-CA), and by scheduling hearings on the issue. We are asking the Senate Committee Members to introduce a companion bill.

## **COST OF LIVING INDEX and**

### **PRESERVATION OF FULL COST OF LIVING**

### **ADJUSTMENTS (COLAs) FOR ALL**

### **DIC RECIPIENTS**

The majority of DIC recipients are World War II and Korean Conflict widows. Most live primarily on DIC and Social Security. The annual COLAs do not keep up with the rate of inflation experienced by our elderly widows due to the exponential annual increases in medical and prescription costs.

### **Equal COLAs among DIC Recipients**

In 1992 Congress passed DIC Reform to standardize the monthly benefit among all DIC widows. Those widows who were already on the DIC roles receiving more than the standardized amount were to be "grandfathered" at the "old-law" (pre-1992) rates, and "were not to be adversely affected" by DIC Reform. (*The Budget for Fiscal Year 1992, Department of Veterans Affairs, Part Four-961*). Since 1993, however, Congress has periodically threatened to give COLAs to only the "new-law" DIC widows -- and to deny them to "old-law widows"; or to base old-law COLAs on only the lower "new-law" amount of DIC. In 1993, "old-law" widows were indeed penalized and received only 1/2 the COLA of new-law widows. The apparent purpose in denying full COLAs to old-law widows is to eliminate the "old-law" DIC. The "old law" widow, however, did not get as generous a death benefit package as the "new law" widow (e.g., government sponsored life insurance coverage was only \$10,000 in WWII, and up to \$15,000 during Vietnam, but pales in comparison to the \$200,000 available to "new law" widows").

We are hoping that we have fought the "old-law/new law" COLA battle for the last time, and that both Committees understand the fairness issue involved.

## **BURIAL IN ARLINGTON NATIONAL CEMETERY:**

### **WE SUPPORT H.R. 3211**

Gold Star Wives of America, Inc. views Arlington National Cemetery as the final resting ground for retired military service members, and for those who gave their lives, or gallantly risked their lives, for this country. It is also fitting that all Commanders in Chief also be eligible for burial there. The eligible veteran's surviving spouse and other family members' rights to burial there are strictly derivative. It is not a burial ground for otherwise ineligible high-ranking or powerful statesmen. They have other options. The beauty of Arlington National Cemetery lies in the quietness of the anguished sacrifices made by ordinary citizens for the freedoms and ideals we now enjoy.

H. R. 3211, a bi-partisan bill, would codify the criteria for burial there. Gold Star Wives of America is pleased that the Members of this House Committee did not forget about the surviving spouse of an eligible veteran without remains, such as the veteran lost/buried at sea, or missing in action. A remarried widow, single at the time of her death, could also be buried with her eligible veteran. A limited waiver policy maximizes the number of spaces available for eligible veterans.

Gold Star Wives of America is honored to support H.R. 3211.

## **THE TWO-TIERED "NEW-LAW" DIC STRUCTURE IS INEQUITABLE**

As a result of the DIC Reform Act, certain widows receive an add-on of \$185 to the basic amount of their DIC to compensate them for their eight or more years they were married to their 100% disabled veteran. According to the GAO Report, at p 4, the reasons for the add-on are based on the following factors:

- The widow of the 100% disabled veteran suffers a significant reduction in income upon her husband's death;
- The widow sacrificed her career in order to care for her disabled spouse; and
- Private sector insurance coverage to supplement the veteran's government sponsored life insurance was difficult to obtain.

The widow whose husband died while on active duty experienced all of the above hardships, and in many cases, more; and is similarly situated with the widow who was married at least eight years to a 100% disabled veteran.

The active duty widow concedes it is difficult for the 100% disabled veteran to obtain private sector life insurance. At the time of the disabled veteran's injury he typically carried an inadequate government insurance policy that failed to provide for his survivors when he was later to die. Similarly, the widow of the young soldier who was instantly killed was left with the same inadequate policy -- and no chance of later supplementing the insurance on her dead husband's life. From WWII through Vietnam, the policy amount was \$10,000.00 to \$15,000.00. In addition, the active duty widow was required to raise the children on a reduced income without the intervening eight years of receiving a higher disability income enjoyed by the widow who later is to receive the \$185 bonus.

Likewise, active duty widows suffer catastrophic and sudden economic losses. The sudden loss of income is compounded by the inevitable failure of young families to prepare for unexpected death. Young military families are typically in debt, and the family's pre-existing debts don't abate when the young soldier is killed.

Widows of disabled veterans often sacrificed careers to care for their disabled husbands. But to the extent the veteran required physical care, he received up to \$60,000.00 per year in disability and supplements for aid and attendance. At the time of their injuries many disabled veterans were not married to the women who later became their widows. The active duty widow, on the other hand, sacrificed her career both before and after her husband's sudden death. Before his death, an active duty widow made frequent moves to isolated areas and suffered long family separations during her husband's military service. She was unable to advance her career or to earn retirement benefits. Once her husband was killed, she had to quickly vacate quarters, and singlehandedly had to provide for the children what had previously been provided by two people. The wife of the disabled veteran typically does not have to quickly move at the time of her husband's death, has had time to prepare for the death, and most importantly, had her husband around for eight years longer than the active duty widow had her husband. The active duty widow's children often were so young they never knew their father. At the very least these children missed the love, guidance and stability of a second parent.

Gold Star Wives is not seeking to take away the \$185 supplement from the widows who were married at least eight years to a 100% disabled veteran. We are asking that these Committees again look at the DIC program and try to achieve equity among all DIC recipients.

## **ELIMINATION OF TEN YEAR LIMIT TO**

## **USE EDUCATION BENEFIT PROVIDED**

## **UNDER CHAPTER 35 OF TITLE 38 U.S.C.**

In past years Members of Congress have commented on how few DIC widows used the education benefits provided under Chapter 35 of Title 38 U.S.C. The ten year restriction precludes many widows with young children from taking advantage of the benefit. Of all eligible widows, the young widows have the most to gain by the program. Unfortunately, these widows are raising their children, working, and trying to maintain the semblance of a family and home that once was, and do not have time to pursue their education. The young widows who pursued their educations, by and large, felt guilt over the time spent away from their young children, when their children needed them most. The children suffer the brunt of the hardship.

Although conceding the benefits of an education, many young widows regard the pursuit of education as selfish in light of their children's need for their limited time and limited resources. Of course, by the time the children are older, the ten-year limit to use the benefit has elapsed, and the benefit is gone, unused.

It is clear from the experiences of the GSW membership, that the education "benefit" is better described as an educational "investment" for both the widow and the country. Some GSW members now pay in annual federal payroll taxes more than the entire educational benefit received over the 48 month entitlement. The return in increased federal taxes in years to come will more than offset the cost of extending the time in which to use the education benefits. Please remember, that had our spouses lived to receive their educational benefit, they would have had us to help with child care and supporting the household while they went to school. In light of the ten-year restriction, it is no wonder very few DIC recipients use the benefit; and the restriction is a perfect example of a "penny wise, and pound foolish" law.

## **RELATED ISSUES NOT BEFORE THESE COMMITTEES: HEALTH CARE**

Medical care is an extremely important concern for DIC recipients, as it is for the veterans and their families. Our health care issues overlap the jurisdictions of various Congressional Committees. We feel

that both VA Committees should be aware of Gold Star Wives health position on health-related legislative initiatives.

#### **DOD and VA Medicare Subvention:**

We are pleased that the DOD Medicare Subvention Demonstration Project is about to begin. The Medicare reimbursement concept creatively expands the availability of medical care to the veteran community, yet it is cost-effective. Even if

DOD Medicare Subvention were available throughout the country, however, most DIC widows would be unable to take advantage of it because they do not live within a military treatment facility catchment area. We also support the VA Medicare Subvention bills.

#### **Mail Order Prescription Drugs:**

Many DIC widows rely exclusively on Medicare for payment of their health-related needs. Medicare does not pay for prescriptions. Many elderly DIC widows cannot afford their medications, and must cut down on the prescribed dosages in order to keep a roof over their heads.

We strongly support the Mail Order Prescription Drug bills: H.R. 1773 (Rep. Thurman, D-FL), and S. 1273 (S. Graham, D-FL).

#### **Federal Employees Health Benefits Program (FEHBP) option:**

To complement Medicare Subvention, Gold Star Wives of America supports optional FEHBP participation. It is a necessary option for military beneficiaries who do not live near military treatment facilities.

Under a majority of the pending FEHBP, or FEHBP demonstration bills, however, our constituency would not be eligible for participation. Specifically, eligibility for participation is limited only to retirees and their dependents or their survivors under: S. 224 (Sen. Warner, R-VA), H.R. 1766 (Rep. Moran, D-VA), S. 1334 (Sen. Bond, R-MO), H.R. 1356 (Rep. Watts, R-OK), H.R. 1456 (Thornberry, R-TX), and H.R. 2128 (Stearns, R-FL). These bills limit dependent eligibility to those as defined under 10 U.S.C. 1076(b). Our constituency is defined in Section 1076(a).

Only two FEHBP bills include surviving spouses of those who died while on active duty or from service-connected disabilities, as eligible for FEHBP participation: H.R. 76 (Moran, D-VA), and H.R. 1631 (Mica, R-FL). A third bill, H.R. 2100 (Stearns, R-FL) may include us as participants, but the language is unclear. We support H.R. 76 over Rep. Mica's bill, because we believe Rep. Moran's H.R. 76 bill would be cheaper.

It is our understanding from members of The Military Coalition that our exclusion as program beneficiaries from the many of the FEHBP bills, was merely an oversight, and not intentional. Gold Star Wives of America has noticed that the FEHBP demonstration bills, H.R. 1766, and S. 1334, have picked up many co-sponsors in the last weeks. We request that the Members of the VA Committees prevail upon their colleagues to correct the FEHBP demonstration legislation to include our constituency as participants. Along with the military retirees, we also were promised lifetime medical benefits (so long as we did not remarry).

Thank you for the opportunity to submit this Statement for the record.

#### **CURRICULUM VITAE**

Margaret Murphy Peterson is the unremarried widow of Cpt. James W. Peterson, U.S. Army, who was killed in Vietnam in 1971. Their son, Eric, has made the U.S. Navy his career. Margaret has been a member of the Gold Star Wives of America, Inc., since 1991, is a lifetime member, serves on its Board of

Directors and holds the position of Legislative Director. She also is a member of the National Cemetery System's Advisory Committee.

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**DISCLOSURE STATEMENT**

Neither Ms. Peterson nor the Gold Star Wives of America, Inc., has received any Federal Grant or contract during the current or previous two fiscal years relative to the subject matter of the testimony.