

Chairman Heck, Ranking Member Davis, and members of the Armed Services Military Personnel Subcommittee, we are grateful to testify for the record on behalf of the Gold Star Wives of America, Inc. (GSW).

I, Chris Kinnard, am one of the Co-Chairs for the Gold Star Wives Government Relations Committee (GRC) along with Donna Eldridge, who is here with me. I will be the one giving testimony today. I am the widow of Specialist James Kinnard, who was drafted into the U.S. Army. He was Killed in Action while serving in Viet Nam in March, 1969. He was 20 years old and I was 7 months pregnant with our son. I currently live in Colorado Springs, Colorado and am a member of the local Cheyenne Mountain Chapter of GSW. Donna and I greatly appreciate the opportunity to provide our testimony in writing as well as to provide oral testimony so much so that we have taken a detour from volunteering with "Wreaths Across America" and taken the train this morning down from Newark, New Jersey to be here. Along with a number of other Gold Star family members, Donna and I have volunteered to be part of the convoy escorting and placing wreaths in military cemeteries. Our journey started in Portland, ME on December 6, and will end on December 12, at Arlington National Cemetery. Our commitment to fighting for the benefits of surviving spouses and families of our fallen heroes is such that we were willing to take time away from our prior obligations and we will rejoin the convoy after this hearing.

The mission of Gold Star Wives is to provide moral support during a surviving spouse's life long journey through grief and recovery from the loss of their loved one, to honor our fallen heroes and to protect the benefits of the families they left behind. We are a non-profit organization and receive no federal grants. GSW assists surviving spouses in obtaining their benefits and works to make Congress, the public, and the military community aware of the inequities which exist in the benefits provided for surviving spouses and children. We wish to address some of these inequities which currently exist and the bills which will aid in adjusting these inequities.

1) Dependency and Indemnity Compensation (DIC), the flat monthly rate (\$1254.19) has not been increased since 1993 except for Cost of Living (COLA). Some of our older widows are trying to survive on this payment alone.

2) Survivor Benefit Plan (SBP)/DIC offset in which a law requires a \$1.00 reduction in a Department of Defense (DoD) SBP for each \$1.00 received from the Department of Veteran Affairs (VA) DIC. SBP is a premium based, voluntarily selected benefit of retirement.

H.R. 2539 Military Surviving Spouses Benefits Improvement Act of 2015

- This is the DIC increase bill.
- Primary Sponsor: Representative Joseph P. Kennedy
- If passed, would raise the current flat rate of compensation to surviving spouses from \$1,254.19 per month to \$1,598.76 per month
- The current rate of compensation surviving spouses receive is 43% of what a single fully disabled veteran receives; the proposed bill would raise that compensation to 55%, which is comparable to other Federal survivor benefit programs.

- DIC is an indemnity payment with the purpose of replacing a portion of the family income lost as a result of the military service member's death.
- Some form of DIC has been paid to survivors since the Revolutionary War
- DIC is paid by the VA and is tax exempt.
- GSW supports the passage of this bill.

H.R. 1594 Military Surviving Spouses Equity Act

- This bill is to repeal the offset of Survivor Benefits Plan by DIC
- Primary Sponsor: Representative Joe Wilson
- SBP was established in 1972 to provide income for survivors with reasonable cost sharing by retirees to supplement Social Security and to be parallel as closely as possible to the Civil Service Retirement System.
- The DIC offset was established in 1972 as part of the original bill.
- SBP was given by Congress to post 9/11 surviving spouses and children of those who died on active duty.
- Most military personnel purchase SBP at a rate of 6.5% of their retirement pay.
- A surviving spouse with children can avoid the offset by assigning SBP to the children, but **doing so causes the spouse to forfeit any claim to SBP after the children reach age 16.**
- To maintain eligibility for the SBP benefits, a surviving spouse can only remarry if they are over the age of 57. **In order to receive full SBP benefits along with full DIC benefits they MUST REMARRY after the age of 57.**
- If a surviving spouse is unable to receive SBP due to the DIC offset, current law states that they will be reimbursed for any premiums, without interest, that had previously been paid by their spouse. However, if the surviving spouse re-marries after the age of 57, they will receive full SBP and DIC benefits. The catch is that they must repay all premiums previously received.
- SBP is paid by the DoD and is taxable income
- GSW supports passage of this bill.

Extension of Special Survivor Indemnity Allowance (SSIA)

- SSIA is a result of PL 110-181 and 111-31. Surviving spouses with SBP offset as a result of receiving DIC are eligible for monthly payments of \$275. The amount will increase 10/10/2016 thru 9/30/2017 to \$310 per month. Then payments will be terminated.
- This means that as of 10/01/2017, surviving spouses including the spouses of military members who died while serving on active duty will no longer receive any form of SSIA.
- GSW supports the extension of SSIA at this rate if H.R. 1594 (repealing SBP/DIC offset) does not become law.

Effects of the Current SBP/DIC Offset

- Military members, while they are in service to our nation, believe that if the worst that can possibly happen to them becomes a reality that their families will be provided for after their death by the SBP. Sadly, the majority of service members who die in the line of duty have not yet achieved the rank or the time in service to actually be able to provide the SBP to their spouse when they die. SBP is calculated using rank and time in service. Technically, on paper these survivors are “eligible” for the benefit but realistically these Soldiers, Sailors, Airmen, and Marines died too young to have achieved enough rank or time in service to be able to overcome the DIC Offset in order to provide the SBP to their surviving spouse. It is a benefit on paper only.
- **Many surviving spouses are either offset or receive nothing from SBP at all.**
- For those that die in retirement from service connected causes – they made a decision to purchase the survivor benefit plan for their spouses not realizing that if they have a service connected disability and die from their service connection that their surviving spouse’s SBP would be reduced dollar for dollar by DIC. For many, the security that they spent their retirement years saving for their spouses simply isn’t there.
- In 2008 Congress authorized the Special Survivor Indemnity Allowance (SSIA). This modest benefit acknowledged the inequity of the SBP/DIC Offset and its purpose was to begin the end of the SBP/DIC Offset
- On April 1, 2009 HASC Chairman Skelton stated “This legislation is the latest step in our continuing effort to eliminate the so-called, ‘widow’s tax’ which has long denied surviving family members the full payment of their Survivor Benefit Plan (SBP) benefits.” He continued, “The House Committee on Armed Services will continue to explore every opportunity to pursue legislation that brings us closer to eliminating the ‘widow’s tax’ ”.
- We are no closer today than we were in 2009 in eliminating the SBP/DIC Offset. The offset remains, and the modest SSIA is due to expire. Not only has this issue not moved forward, but with the looming expiration date of the SSIA at hand, survivors of those who lost their lives because of their service to our nation will be forced to make a financial step backward.
- Currently there is only one option for the surviving spouse to receive the full death benefits of a member of the Armed Forces of the United States of America who served our great nation with honor and died because of that service. That option is to get remarried after the age of 57.

- **LET ME SAY THIS AGAIN: The ONLY way for a military surviving spouse of a service member who made the ultimate sacrifice for this country to receive that members death benefits in full is to remarry after the age of 57.**
- Once a surviving spouse whose SBP is offset by DIC gets remarried after the age of 57, and ONLY if they get remarried will they receive their survivor benefits—without offset. If a surviving spouse does not remarry after age 57, his/her benefits remain offset. **The survivor is financially punished for NOT getting remarried.**

There are no words to describe the astounding dishonor this is for the service member who served our nation and gave their life because of their service. Just as there are no words to describe the disrespect to the survivor by this stipulation of remarriage to access this benefit – other than to say this should be viewed as the national embarrassment that it truly is. It is time to fix this once and for all. Let’s honor the service and sacrifice of military members who paid the ultimate price and take proper care of the families they have left behind.

Thank you for your time and the opportunity to present the views of Gold Star Wives of America, Inc. We request your support in repealing the SBP/DIC Offset as indicated in H.R. 1594. I am open to questions from the Committee.