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APPROVED

SEP 30 1976
Signed in Ceremony
12:00 noon East Room
Statement issued
9/30/76

THE WHITE HOUSE
WASHINGTON
September 30, 1976

ACTION

MEMORANDUM FOR
FROM:
SUBJECT:

THE PRESIDENT

JIM CANNON *JJC*

H.R. 14298-Veterans and Survivors
Pension Adjustment Act of 1976
H.R. 14299-Veterans Disability
Compensation and Survivor Benefits
Act of 1976

archives
9/30/76

Attached for your consideration are H.R. 14298 and H.R. 14299, sponsored by Representative Montgomery and 24 others.

H.R. 14298 would increase by seven percent the benefits of approximately 2.3 million veterans and their dependents and survivors receiving veterans pensions. Additional background information is provided in OMB's enrolled bill report at Tab A.

H.R. 14299 would increase by eight percent the benefit rate of 2.2 million veterans receiving disability payments and the benefit rate of approximately 368,000 people receiving survivors benefits. Additional background information is provided in OMB's enrolled bill report at Tab B.

OMB, Max Friedersdorf, Counsel's Office (Kilberg), Bill Seidman, Alan Greenspan and I recommend approval of the enrolled bills and proposed signing statement which has been cleared by the White House Editorial Office (Smith).

RECOMMENDATION

That you sign H.R. 14298 at Tab C.

That you sign H.R. 14299 at Tab D.

That you approve the signing statement at Tab E.

Approve *JJC*

Disapprove _____





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 23 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14299 - Veterans Disability
Compensation and Survivor Benefits Act of 1976
Sponsor - Rep. Montgomery (D) Mississippi and
24 others

Last Day for Action

Action is recommended by September 28, 1976, to permit timely benefit payments for October 1976 as explained below.

Purpose

Provides cost-of-living increases in compensation benefits for service-disabled veterans and their survivors; requires certain studies to be made and makes other changes in the veterans' compensation laws.

Agency Recommendations

Office of Management and Budget	Approval(Signing statement attached)
Veterans Administration	Approval(Signing statement attached)

Discussion

H.R. 14299 would, effective October 1, 1976, provide an 8% cost-of-living benefit increase for recipients of veterans' service-connected disability compensation and for eligible widows and children under the dependency and indemnity compensation (DIC) program. It would also make similar increases in other benefits related to the compensation program and would make certain technical changes in the compensation laws. The bill was passed without controversy by a 351-0 vote in the House and by voice vote in the Senate.

Veterans disability compensation. Benefits are provided under this program to 2.2 million veterans whose disability stems from active duty service. Compensation is based on ratings of disability which range from 10% to 100%, and is intended to reflect impairment in earning ability. Additional allowances--"statutory awards"--are provided for more serious disabilities.

The last cost-of-living increase in compensation rates became effective on August 1, 1975. The 1977 Budget did not request any further increase in the rates. The official July 15, 1976, budget update, however, indicated that the Administration would accept a general rate increase commensurate with the actual increase in the Consumer Price Index (CPI) since the last increase.

The 8% increase in both basic compensation rates and the statutory awards provided in H.R. 14299 is greater than the 6.4% by which the CPI is projected to increase during the August 1, 1975-September 30, 1976 period.

H.R. 14299 would also provide a new higher special allowance for veterans rated 50% or more disabled who have spouses requiring the aid and attendance of another person or nursing home care. In reports to the Senate Committee on Veterans Affairs, VA opposed this new allowance on the grounds that, for the first time, the specific purpose of veterans compensation would be violated. Under this proposal, a benefit would be provided to a veteran based not on the veteran's service-connected condition, but because of a spouse's situation.

Dependency and indemnity compensation. Under the Service-men's and Veterans Survivor Benefits Act, DIC payments are authorized for surviving spouses and children of servicemen or veterans who die from service-connected causes. About 368,000 beneficiaries currently receive DIC payments.

H.R. 14299 would provide for an 8% increase in the monthly DIC rates paid to spouses and children. It would also require VA to complete a study of the DIC program by October 1, 1977 in order to determine whether the benefits paid to spouses are adequate, and what relationship, if any, such benefits should have to the military pay grade of the deceased veteran. The report of the

Senate Committee on Veterans' Affairs indicates that a number of veterans organizations have expressed concern over the fact that the current DIC program results in much higher benefit rates for the widows of high ranking officers than are paid to widows of lower ranking enlisted men.

Other significant provisions. H.R. 14299 would:

-- increase (from \$175 to \$190) the annual clothing allowance for veterans wearing or using a prosthetic or orthopedic device,

-- increase the maximum mortgage protection life insurance limit for severely disabled veterans from \$30,000 to \$40,000,

-- extend eligibility for the present automobile allowance (up to \$3,300) and adaptive equipment to any person who otherwise meets eligibility requirements, based on service between September 16, 1940 and the beginning of WW II (VA estimates approximately 200 veterans would qualify), and

-- authorize payment for transporting the body of a veteran to a national cemetery in cases where death was service-connected or where the veteran was, at the time of death, entitled to receive disability compensation (VA estimates such payments would be made to 5,000-6,000 eligibles annually).

VA favored increasing the clothing allowance and the mortgage protection life insurance limit, but opposed extending eligibility for the automobile allowance. The transportation burial provision was included in the Administration's State veterans' cemetery grant proposal.

Cost. VA estimates that H.R. 14299 would cost approximately \$400 million in fiscal year 1977, exclusive of the cost of the new special allowance for a spouse in need of aid and attendance, which VA is unable to estimate. As noted above, the 1977 Budget did not specifically provide for any rate increases. The estimated first year cost of the bill is \$86 million higher than the amount included in the July 15 Budget update, which was based on our projected change in the cost of living.

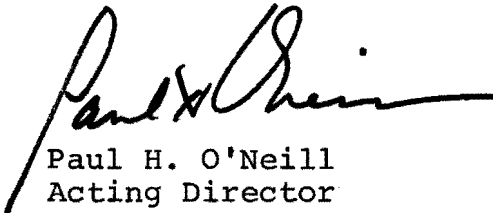
Recommendations. VA recommends approval of H.R. 14299 on or before September 28, in order to permit timely delivery of 2-1/4 million benefit checks for the month of October. The agency does not consider the cost-of-living increase to be excessive and believes the other provisions which the Administration opposes are not of a magnitude to warrant disapproval.

* * * * *

We have serious concerns about the provision of H.R. 14299 which would increase a veteran's compensation benefit because of circumstances affecting the veteran's spouse. Based on past experience, such a provision is likely to prove to be a precedent for future similar departures from the essential purpose of the compensation program. We also believe it is regrettable that the cost-of-living increase in this bill somewhat exceeds the projected change in the CPI.

Considering all the factors affecting this bill, however, and in light of the Administration's commitment to a cost-of-living increase, we concur with VA's recommendation for approval.

A companion bill to raise VA pension benefit rates, H.R. 14298, is also currently awaiting your action. VA has drafted one signing statement dealing with both of these bills. Our draft signing statement takes a similar approach.



Paul H. O'Neill
Acting Director

Enclosures



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

September 24, 1976



The Honorable
James T. Lynn
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

I am pleased to respond to the request of the Assistant Director for Legislative Reference for a report on the enrolled enactment of H.R. 14299, 94th Congress.

The measure to be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1976", would accomplish the following purposes:

- (a) increase by 8% the monthly rates of service-connected disability compensation payable to veterans, including the additional amount authorized for dependents;
- (b) provide a special allowance (\$78 for a totally disabled veteran and proportionately less if veteran's disability is less than 100% but at least 50%) in lieu of that generally allowed a qualifying veteran entitled to additional compensation for a spouse, if the spouse is a patient in a nursing home or so nearly helpless or blind as to require the aid and attendance of another person;
- (c) increase by 8% the monthly rates of dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths were service connected;

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- (d) direct the Administrator to make a thorough study of the DIC program in order to determine the adequacy of the benefits provided and what relationship, if any, such benefits should have to the military pay grade of the deceased service person;
- (e) increase (from \$175 to \$190) the annual clothing allowance to certain veterans wearing or using a prosthetic or orthopedic appliance;
- (f) increase the maximum mortgage protection life insurance limit for veterans receiving grants for specially adapted housing from \$30,000 to \$40,000;
- (g) extend eligibility for the present automobile allowance (up to \$3,300) and adaptive equipment to any person who otherwise meets eligibility requirements, based on service between September 16, 1940 and the beginning of WW II.
- (h) authorize payment for transporting the body of a veteran to a national cemetery in cases where death was service connected or where the veteran was, at the time of death, entitled to receive disability compensation;
- (i) make the effective date for reduction or discontinuance of compensation, DIC or pension, by reason of annulment of a marriage of a dependent of a payee, the last day of the year in which such annulment occurs (as is now applicable to divorce); and
- (j) direct the Administrator to make a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders.

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The effective date would be October 1, 1976.

Although we were not afforded an opportunity to report on H.R. 14299 in its present form, the report of the Senate Committee on Veterans' Affairs on this measure (S. Rept. No. 94-1226) which is enclosed for your ready reference, contains the Veterans Administration's reports of July 28, 1976, on S. 3596 and of July 27, 1976, on H.R. 14299 as first referred to the Senate. The enrolled enactment is substantively identical with S. 3596 except that H.R. 14299 contains the provision for a special allowance for a spouse in need of aid and attendance, directs the study relating to the amputation of an extremity and subsequent development of cardiovascular disorders and extends the automobile allowance to service after September 16, 1940, instead of for all periods of service.

The basic purpose of the disability compensation program throughout its history has been to provide relief for the impaired earning capacity of veterans disabled as the result of their military service. The amount payable varies according to the degree of disability which, in turn, is required by the law to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations. Additional compensation for dependents is payable to any veteran entitled to basic compensation for disability rated at not less than 50%.

Dependency and indemnity compensation payments are made to surviving spouses and certain parents and children of veterans who die of a service-connected cause.

An annual clothing allowance is provided to veterans who, because of service-connected disabilities, wear or use a prosthetic or orthopedic appliance which tends to wear out or tear the veteran's clothing.

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Assistance grants are authorized to certain severely disabled veterans in securing specially adapted housing. Mortgage protection life insurance in such cases is authorized with a maximum limit of \$30,000. The premium rate paid by the veteran is based on the cost of insuring standard lives and the additional cost of such insurance is borne by the United States.

Eligibility for an automobile allowance and adaptive equipment is limited to those persons who meet the requisite service-connected disability requirements incurred in active military, naval or air service during World War II or thereafter.

Current law, under section 903(a)(2) of title 38, United States Code, provides for transportation of the body of a deceased veteran to the place of burial, in addition to the non-service-connected burial allowance and plot allowance, or the service-connected allowance, when the veteran dies in a Veterans Administration facility while properly admitted for hospital or domiciliary care under specified circumstances.

The effective date of a reduction or discontinuance of compensation, DIC, or pension by reason of marriage, divorce or death of a dependent of a payee is the last day of the year in which such event occurs. The effective date for such reduction or discontinuance by reason of annulment of marriage of such a dependent is currently the date of annulment.

Data are not available to permit an estimate of the cost of the provision for a special allowance for a spouse in need of aid and attendance but the remaining provisions are estimated to cost approximately \$399.8 million in fiscal year 1977.

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In reporting to the Senate Committee on Veterans' Affairs on S. 3596 and on H.R. 14299 (as first passed by the House) we indicated opposition to both measures but stated we would support general rate increases [but not increases in the statutory awards under 38 U.S.C. 314(k)] commensurate with the actual increase in the cost of living since the last rate increase to the effective date of the new rates. We also favored increasing the limit of mortgage protection life insurance and extension of the "end of year rule" to annulment situations. Instead of the provision for transportation of the remains of certain deceased veterans to a National Cemetery, we favored S. 1361, a more comprehensive measure to establish and maintain state veterans' cemeteries. We opposed extension of eligibility for the automobile allowance and the special allowance to certain veterans for a spouse in need of the aid and attendance of another person.

Compensation rates to which H.R. 14299 applies were last increased by Public Law 94-71, effective August 1, 1975. The Consumer Price Index reflects that from that date through August of 1976 the cost of living has risen 5.9%. A projection of that figure through September, based on recent increases in the cost of living, indicates a probable increase of 6.5% from August 1, 1975 through September 1976.

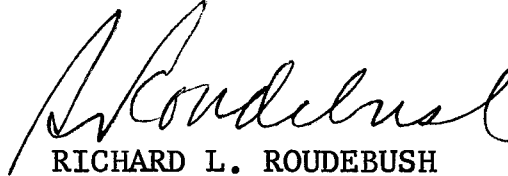
It appears that the intention of Congress in passing the Veterans Disability Compensation and Survivor Benefits Act of 1976 was to maintain compensation rates predicated on service-connected disabilities and deaths fairly in line with the rising cost of living. We do not believe that purpose is unreasonable, and the 8% increase does not appear grossly excessive for that purpose. While the bill does contain provisions not favored, we do not think they are of such magnitude as to warrant a veto.

Accordingly, I recommend that the President approve H.R. 14299.

The Honorable
James T. Lynn

It is further recommended that such approval be effected on or before September 28. This is important because timely production and delivery of over 2-1/2 million benefit checks for the month of October 1976 involves the joint effort of the Veterans Administration, the Treasury Department, and the Postal Service. Failure to meet this deadline will result in these beneficiaries temporarily losing some benefits and significant administrative cost to further adjust all benefits later.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Roudebush". The signature is written in black ink and is positioned above the typed name and title.

RICHARD L. ROUDEBUSH
Administrator

Enclosure

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 25

Time: 1000am

FOR ACTION: David Lissy *DL* cc (for information): Jack Marsh
 Max Friederddorf *MF* Jim Connor
 Bobbie Kilberg *BK* Ed Schmults
 Robert Hartmann Alan Greenspan *AG*
 Bill Seidman *BS*

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14299-Veterans Disability Compensation and Survivor Benefits Act of 1976

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420



September 24, 1976

The Honorable
James T. Lynn
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

I am pleased to respond to the request from the Assistant Director for Legislative Reference for a report on the enrolled enactment of H.R. 14298, 94th Congress, the proposed "Veterans and Survivors Pension Adjustment Act of 1976."

The measure would:

- (1) continue the 8% increase in rates and the \$300 increase in maximum income limitations effected by Public Law 94-169, beyond the terminal date of September 30, 1976;
- (2) provide rate increases, effective January 1, 1977, of approximately 7% for pensioners and parents entitled to dependency and indemnity compensation (DIC) (15% increase in the rate of additional allowance for aid and attendance for veterans);
- (3) increase maximum income limitations, effective January 1, 1977, for old and new law pensioners and parents entitled to DIC (from \$3,300 to \$3,540 for veterans or surviving spouses without dependents, and for a single parent, from \$4,500 to \$4,760 for pensioners

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with dependents or parents living together or with a spouse under current law, corresponding increases from \$2,900 to \$3,100 and \$4,200 to \$4,460, respectively, for those veterans and surviving spouses under the prior pension law, and unearned income limitation for children under current law from \$2,700 to \$2,890);

(4) establish, for purposes of pension for a veteran who was employed beyond age 65, the day of unemployability as the day he became permanently and totally disabled;

(5) provide continued payment of the aid and attendance allowance at reduced rates to certain veterans whose incomes exceed the current pension income limitations (the \$155 rate for aid and attendance for a veteran to be reduced 16.6% for each \$100 or portion thereof by which veteran's income exceeds the applicable maximum income limitation);

(6) increase the rate of a veteran's pension by 25% upon attaining age 78;

(7) amend 38 U.S.C. 102(a)(2) so that the "need" requirements to determine dependency of a parent will be set by regulations;

(8) require the head of any Federal department or agency to provide information to the Veterans Administration to be used in determining eligibility for or amount of benefits or for verifying other information with respect thereto; and

(9) require the Administrator to conduct a study to obtain data necessary to determine the adequacy of the present pension program and whether reform of the current program is necessary and feasible.

The Honorable
James T. Lynn

Enclosed for your ready reference is a copy of our report of August 19, 1976, to the Senate Committee on Veterans' Affairs on H.R. 14298 as passed by the House and sent to the Senate. The enrolled enactment differs only in that (1) eligibility for the 25% increase to a veteran upon attaining a specified age would occur on the first of the month in which the veteran is 78 (instead of 80), and (2) it would require the study to obtain information for determining the adequacy of the present pension program and whether reform is necessary and feasible.

In reporting to the Senate Committee on Veterans' Affairs on August 19, 1976, the Veterans Administration, after clearance by your office, indicated it favored rate increases (but not increases in the maximum income limitations) commensurate with the actual increase in the cost of living from January 1, 1976, to the date of the proposed increase. The report also indicated we favored the proposal respecting effective dates to eliminate the current disadvantage to a veteran who continues working beyond age 65 and that we favored the provision to prescribe by regulation minimum levels of monthly income for determination of dependency of parents for purposes of DIC, death compensation or additional compensation to a veteran for dependents. We indicated opposition to the provision for continuation of the aid and attendance allowance if maximum income limitations are exceeded and to the 25% increase in applicable rates solely on attaining a specified age, since these provisions are inconsistent with the "needs" philosophy on which the pension programs are based. The report indicated a reservation of position with respect to the section of H.R. 14298 calling for other agencies to furnish certain requested information necessary to determine amount of or entitlement to VA benefits. While this agency's position on this provision has not been resolved, it is noted that the language of the proposal is almost identical with 42 U.S.C. 1383(f) which pertains to the program of Supple-

The Honorable
James T. Lynn

mental Security Income administered under the Secretary of Health, Education and Welfare.

It is estimated that enactment of H.R. 14298 would cost approximately \$432.1 million for fiscal year 1977.

Since the benefit rates and income limitations in question were last increased, effective January 1, 1976, by Public Law 94-169, the Consumer Price Index has risen 3.4% through August. A projection of recent monthly increases through December indicates a probable increase of approximately 6% in the cost of living for the year 1976.

The needs of the veterans and their survivors have been regularly recognized in the face of changing economic conditions. We believe that VA benefits based upon monetary need should continue to be adjusted periodically to preclude serious diminution of the purchasing power of the benefit by inflation. As you know, we have previously recommended that the benefit rates affected by H.R. 14298 should be increased commensurate with the actual increase in the cost of living from the date of the last increase to the effective date of the new increase. Also, we have opposed increases in the annual income limitations.

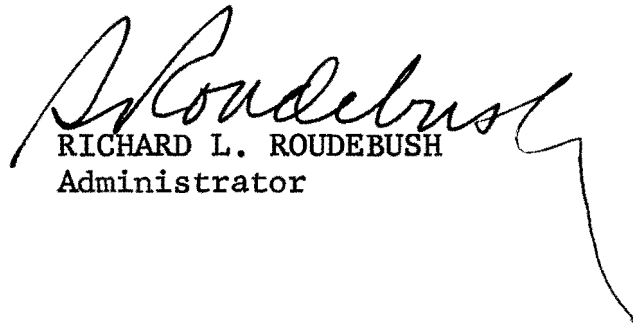
There are for consideration at this time, however, several important factors. Of utmost importance is the fact that without this legislation virtually all pensioners will suffer decreases or termination of pension on October 1, 1976, due to expiration of rate and income limitation increases provided by Public Law 94-169. The beneficiaries involved are also definitely deserving of a cost-of-living increase. If H.R. 14298 is not enacted, the purchasing power of existing benefits will probably continue to fall behind, month after month, for an unknown period in the future. Also, the proposed 7% increases appear reasonably commensurate with the anticipated final figure for the cost-of-living increase for the year.

The Honorable
James T. Lynn

Considering the circumstances, we do not feel that the rates and income limitations proposed nor other provisions of the enrolled enactment warrant a veto of this measure of assistance for needy veterans, and their needysurvivors. Accordingly, I recommend that the President approve H.R. 14298.

It is further recommended that such approval be effected on or before September 28. This is important because timely production and delivery of 2-1/4 million benefit checks for the month of October 1976 involves the joint efforts of the Veterans Administration, the Treasury Department, and the Postal Service. Failure to meet this deadline will result in 1.3 million beneficiaries temporarily losing some benefits and significant administrative cost to further adjust all benefits later.

Sincerely,



RICHARD L. ROUDEBUSH
Administrator

Enclosure



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

August, 19, 1976



The Honorable
Vance Hartke
Chairman, Committee on
Veterans' Affairs
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

We are pleased to respond to your request for a report on H.R. 14298, 94th Congress, as passed by the House of Representatives.

The measure, to be cited as the "Veterans and Survivors Pension Adjustment Act of 1976," would:

- (1) continue the 8% increase in rates and the \$300 increase in maximum income limitations effected by Public Law 94-169, beyond the terminal date of September 30, 1976;
- (2) provide rate increases of approximately 7% for pensioners and parents entitled to dependency and indemnity compensation (DIC) (15% increase in the rate of additional allowance for aid and attendance for veterans);
- (3) increase income limitations for old and new law pensioners and parents entitled to DIC;
- (4) establish, for purposes of pension for a veteran who was employed beyond age 65, the day of unemployability as the day he became permanently and totally disabled;

The Honorable
Vance Hartke

(5) provide continued payment of the aid and attendance allowance at reduced rates to certain veterans whose incomes exceed the current pension income limitations;

(6) increase the rate of a veteran's pension by 25% upon attaining age 80;

(7) amend 38 U.S.C. 102(a)(2) so that the "need" requirements to determine dependency of a parent will be set by regulations; and

(8) require the head of any Federal department or agency to provide information to the Veterans Administration to be used in determining eligibility for or amount of benefits or for verifying other information with respect thereto.

The current pension program under chapter 15 of title 38, United States Code, provides monthly non-service-connected disability or death pension for otherwise eligible veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and their widows and children. Benefits are provided on a sliding scale according to income and family status, with the greatest amounts of pension payable to those with the greatest need. Basic disability pension rates for veterans range from \$5 to \$196 per month with a maximum annual income limitation as high as \$4,500, according to number of dependents. The applicable monthly rate is increased by \$133 if the veteran is in need of the regular aid and attendance of another person, or by \$53 if he is permanently housebound but not entitled to the aid and attendance allowance.

Similarly, the death pension rate for a widow without a child ranges from \$5 to \$117 per month, with a maximum annual income limitation of \$3,300. In the case

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Vance Hartke

of a widow with one child, the monthly rate can go as high as \$139, with a maximum annual income limitation of \$4,500. There is an allowance of \$22 per month for each additional child. The basic monthly rate is increased by \$69 if the widow is in need of regular aid and attendance. For children, where no widow is entitled, monthly death pension of \$53 is payable for one child, and \$22 for each additional child, the total payable in equal shares. There is an unearned annual income limitation of \$2,700 applicable to a child where no widow is entitled.

The rates of pension and limitations on annual income are different with respect to persons who were receiving pension on June 30, 1960, and who continue to receive benefits under that prior system pursuant to the savings provisions of section 9(b) of the Veterans' Pension Act of 1959 (Public Law 86-211). Applicable annual income limitations are \$2,900 for a veteran unmarried and without a child, a widow without a child or a child alone; and \$4,200 for a veteran married or with a child, and for a widow with a child.

Under chapter 13 of title 38, United States Code, monthly dependency and indemnity compensation payments are made to widows and certain parents and children of veterans who die of a service-connected cause. Parents' benefits are provided on a sliding scale based on annual income. The income limitations vary according to whether there are one or two parents, and in a case of two parents, whether they are living together or apart. The maximum annual income limitations are \$3,300, for an only parent and for each of two parents living apart, and \$4,500, for two parents (including in some cases an only parent who has remarried). The current monthly rates range from \$5 to \$133 for an only parent, from \$5 to \$93 for each of two parents not living together, from \$5 to \$90 for each of two parents living together, and from \$5 to \$133 for an only parent who has remarried.

The Honorable
Vance Hartke

Section 101 of H.R. 14298 would amend sections 102, 103, 104, 105, 107, 201 and 202 of Public Law 94-169 so as to continue the 8% increase in rates and the \$300 increase in maximum income limitations which, under that law, would otherwise lapse on September 30, 1976.

Section 201 would amend 38 U.S.C. 502(a) so that a veteran who continues employment after attaining age 65 will be considered to be permanently and totally disabled as of the time his employment ceases.

Sections 202 through 206 and 301 would provide rate increases of approximately 7%, including additional allowance for aid and attendance (except that the aid and attendance allowance for qualified veterans would be increased about 15%) and for housebound status, for pensioners and parents entitled to DIC, effective January 1, 1977. Amendments found in these sections would also increase maximum income limitations from \$3,300 to \$3,540 in the case of veterans or surviving spouses without dependents and for a single parent and from \$4,500 to \$4,760 for pensioners with dependents or for parents living together or with a spouse under current law. Further, they would increase corresponding maximum income limitations from \$2,900 to \$3,100 and from \$4,200 to \$4,460 for veterans and widows entitled to pension under the prior pension law. The maximum unearned income limitation for children entitled under current pension law would be increased from \$2,700 to \$2,890. Additionally, section 202 would amend 38 U.S.C. 521(d) to provide that where entitlement to pension is denied or terminated because of income in excess of the statutory limitation, any veteran entitled to the additional aid and attendance rate under this subsection shall be entitled to receive the monthly aid and attendance allowance at a reduced rate but not if the veteran's annual income exceeds the applicable limitation by more than \$500. These amendments would also provide an increase of 25% in the rate of pension otherwise payable to a veteran upon his attaining age 80.

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Section 401 would amend 38 U.S.C. 322(b) so as to increase the aid and attendance allowance for a surviving spouse or parent receiving death compensation based on service-connected death prior to January 1, 1957, from \$69 to \$74.

Section 402 would amend 38 U.S.C. 102(a)(2) so as to require the Administrator to prescribe, by regulation, minimum levels of monthly income which, if not exceeded, would preclude denial of dependency of a parent for the purpose of payment of DIC under 38 U.S.C. 415, death compensation under 38 U.S.C. 322, or additional disability compensation to a veteran under 38 U.S.C. 315.

Section 403 would amend chapter 51 of title 38, United States Code, by adding a new section 3006 that would require the head of any Federal department or agency to provide such information as requested by the Administrator for the purposes of determining eligibility for or amount of benefits, or verifying other information with respect to Veterans Administration benefit programs.

Section 404 would provide that the provisions of the Act, with the exception of titles II and III and section 401, shall take effect on the date of enactment; that titles II and III and section 401 shall take effect January 1, 1977.

The needs of veterans and their survivors have been regularly recognized in the face of changing economic conditions. On January 1, 1976, the benefits paid under these programs were increased at a rate comparable to the increase in the cost of living since the prior rates were increased. Accordingly, we would support a rate increase commensurate with the actual change in the cost of living from January 1, 1976.

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Vance Hartke

In recent years, pension rates have been increased based upon changes in the Consumer Price Index, and have been almost directly reflective of that percentile increase. In most instances, they have been accompanied by increases in income limits controlling eligibility for benefits. The effect of the latter increases has been to maintain and enlarge the pension population by authorizing the continued payment of pension benefits to recipients when their incomes rise to levels which would otherwise make them ineligible for pension payments. Because of the higher levels of their incomes, such persons have less need for pension assistance.

We believe that continuation of the practice of raising income limitations each time a benefit rate increase is enacted is inconsistent with the objective of providing monetary aid to individuals with the greatest need. Accordingly, we oppose further increases in income limitations relating to pension and parents' dependency and indemnity compensation.

Under current law, 38 U.S.C. 3010(b)(3), the effective date of an award of disability pension to a veteran is the date of application or the date on which the veteran became permanently and totally disabled if an application therefor is received within one year from such date, whichever is to the advantage of the veteran. Under 38 U.S.C. 502(a) a person "is considered" permanently and totally disabled upon attaining age 65. A veteran, otherwise entitled, who is not employed when he reaches 65 years of age thus may be awarded benefits effective on such date if he applies within one year thereafter. On the other hand, a veteran who continues employment beyond age 65 does not have this latter advantage and the effective date of his benefits could not be earlier than the date of application. The proposed amendment to 38 U.S.C. 502(a) would be an equitable and logical implementation of liberalizing legislation benefiting those veterans who continue to be employed after attaining age 65, and this provision of H.R. 14298 is favored.

The Honorable
Vance Hartke

The bill proposes to amend subsection (d) of section 521 of title 38, United States Code, to provide that where entitlement to pension is denied or terminated because of income in excess of the statutory limitation, any veteran entitled to the additional aid and attendance rate under this subsection shall be entitled to receive the monthly aid and attendance rate reduced by 16.6 per centum for each \$100, or portion thereof, by which the veteran's annual income exceeds the applicable maximum annual income limitation; but no monthly rate shall be payable under this paragraph if the veteran's annual income exceeds such limitation by more than \$500.

Changes in the pension program should channel available resources in such a manner as to assist those most in need.

The current program provides certain exclusions in determining countable income and in arriving at the related level of pension need. These current income exclusions result, in many instances, in substantial reductions in a family's aggregate income for pension purposes. As a result, the countable income upon which pensions are computed does not reflect actual need as measured by the family's total available income. We do not believe that a liberalization in the treatment of the aid and attendance allowance should be undertaken without other modifications in the program to insure that a beneficiary's full resources are recognized in determining the need for pension or special allowances. We, therefore, oppose this provision.

The bill provides for a 25% increase in pension for veterans age 80 and older. The needs of disabled veterans similarly situated are substantially the same. To provide additional benefits for certain veterans based solely on age would be inconsistent with the needs philosophy upon which the pension program is based and would be

The Honorable
Vance Hartke

discriminatory to other veterans who have equal needs but who are not entitled to the 25% increase because they do not meet the age requirement. For these reasons, we strongly oppose this provision.

Section 402 of H.R. 14298 would require the Administrator to prescribe, by regulation, minimum levels of monthly income which, if not exceeded, would preclude denial of dependency of a parent for the purpose of payment of DIC under 38 U.S.C. 415, death compensation under 38 U.S.C. 322, or additional disability compensation to a veteran under 38 U.S.C. 315.

The code provision to be amended, 38 U.S.C. 102 (a)(2), currently specifies monetary guidelines for conclusively establishing dependency of parents. These statutory standards have not been changed since 1957.

In light of changed economic conditions since that time, we favor the proposed amendment to 38 U.S.C. 102(a)(2).

Section 403 would authorize the Administrator to obtain any information he may request from any Federal department or agency for the purpose of determining eligibility for or the amount of veterans' pension benefits. While we support the intent of this provision we cannot support the provision as written. We have been informed by agencies which are responsible for oversight of the Privacy Act and interpretation of the Freedom of Information Act, as well as by certain agencies which would be affected by the provision, that they are opposed to enactment of the provision on the grounds that it is too broadly drawn and is in conflict with the Privacy and Freedom of Information Acts. The Veterans Administration is working with these agencies to draft language for your consideration which will satisfy the intent of the provision but limit the Administrator's authority to the specific circumstances

The Honorable
Vance Hartke

for which special authorization to request information from other agencies is required. We will provide this language to you shortly.

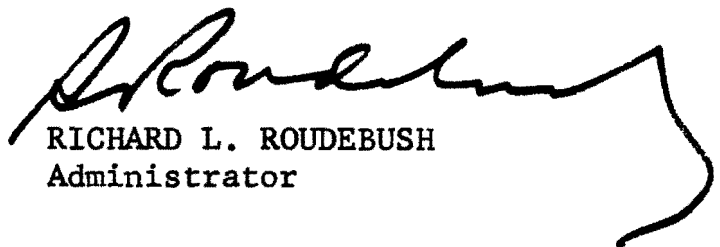
The estimated five-year cost of H.R. 14298, if enacted, is as follows:

<u>FY</u>	<u>Cost (millions)</u>
1977	414.2
1978	482.6
1979	470.5
1980	458.7
1981	442.9

In view of the foregoing, the Veterans Administration opposes enactment of H.R. 14298, as passed by the House of Representatives. We would, however, support increases in rates, but not increases in maximum income limitations, commensurate with the actual change in the cost of living from January 1, 1976, to the effective date of the increase. The Veterans Administration also would support the proposed amendment to paragraph 2 of subsection (a) of section 102, and to subsection (a) of section 502 of title 38.

Advice has been received from the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,



RICHARD L. ROUDEBUSH
Administrator

PROPOSED STATEMENT FOR PRESIDENT
UPON SIGNING H.R. 14298 AND
H.R. 14299, 94th CONGRESS

I am determined, during my Administration, that the cliché "forgotten veteran" shall enjoy no credibility and that the sacred trust of caring "for him who shall have borne the battle and for his widow and his orphan" shall not be broken.

Today I am pleased to sign into law H.R. 14298 and H.R. 14299, 94th Congress. These laws will provide increases in rates of monetary benefits to approximately 5 million veterans and survivors. These increases will more than offset the loss of buying power of these benefits since the last rate increase.

H.R. 14298 will continue, beyond the scheduled expiration date of September 30, the 8% increase in rates of non-service-connected disability and death pension and in the service-connected dependency and indemnity compensation (DIC) for dependent parents which were effected on January 1, 1976, and will authorize a 7% increase in such rates and corresponding increases in the maximum income limitations on January 1, 1977. Among certain other parts of this bill is a provision of special help to older veterans, almost all of whom are veterans of World War I.

H.R. 14299 will increase by 8%, on October 1, 1976, the rates of compensation to veterans for service-connected disabilities and DIC to surviving spouses and children of veterans whose deaths were service connected. There are other provisions liberalizing a variety of special benefits based on service-connected disability.

That these measures come to fruition today is indicative that our Government does work, it does fulfill, and the departments of Government do unite in a just cause.

10-
J. Johnston
9-24-76
8:30 P.M.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 23 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14299 - Veterans Disability
Compensation and Survivor Benefits Act of 1976
Sponsor - Rep. Montgomery (D) Mississippi and
24 others

Last Day for Action

Action is recommended by September 28, 1976, to permit timely benefit payments for October 1976 as explained below.

Purpose

Provides cost-of-living increases in compensation benefits for service-disabled veterans and their survivors; requires certain studies to be made and makes other changes in the veterans' compensation laws.

Agency Recommendations

Office of Management and Budget

Approval(Signing statement attached)

Veterans Administration

Approval(Signing statement attached)

Discussion

H.R. 14299 would, effective October 1, 1976, provide an 8% cost-of-living benefit increase for recipients of veterans' service-connected disability compensation and for eligible widows and children under the dependency and indemnity compensation (DIC) program. It would also make similar increases in other benefits related to the compensation program and would make certain technical changes in the compensation laws. The bill was passed without controversy by a 351-0 vote in the House and by voice vote in the Senate.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 25

Time: 1000am

FOR ACTION: David Lissy
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann
Bill Seidman

cc (for information):
Alan Greenspan

Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14299-Veterans Disability Compensation and Survivor
Benefits Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

approved Kelley 9/27/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

Date: September 25

Time: 1000am

FOR ACTION: David Lissy ✓
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann
Bill Seidman

cc (for information):
Alan Greenspan

Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14299-Veterans Disability Compensation and Survivor
Benefits Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

Bill not here yet JJ 9/25

*9.27
Recommendation
approval - ad
statement.
May*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

THE WHITE HOUSE

WASHINGTON

September 27, 1976.

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.L.F.*
SUBJECT: HR 14299 - Veterans Disability Compensation
and Survivor Benefits Act of 1976

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

THE WHITE HOUSE

WASHINGTON

LOG NO.:

ACTION MEMORANDUM

Date: September 25

Time: 1000am

FOR ACTION: David Lissy
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann
Bill Seidman

cc (for information):
Alan Greenspan

Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14299-Veterans Disability Compensation and Survivor Benefits Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*approval
JMS*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

94TH CONGRESS }
2d Session }

SENATE

{ REPORT
No. 94-1228 }

VETERANS DISABILITY COMPENSATION
AND SURVIVOR BENEFITS ACT
OF 1976

REPORT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

H.R. 14299



SEPTEMBER 9, 1976.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

57-010 O

WASHINGTON : 1976

COMMITTEE ON VETERANS' AFFAIRS

VANCE HARTKE, Indiana, *Chairman*

HERMAN E. TALMADGE, Georgia
 JENNINGS RANDOLPH, West Virginia
 ALAN CRANSTON, California
 RICHARD (DICK) STONE, Florida
 JOHN A. DURKIN, New Hampshire

CLIFFORD P. HANSEN, Wyoming
 STROM THURMOND, South Carolina
 ROBERT T. STAFFORD, Vermont

FRANK J. BRIZZI, *Staff Director*
 GUY H. MCMICHAEL III, *General Counsel*

SUBCOMMITTEE ON COMPENSATION AND PENSIONS

HERMAN E. TALMADGE, Georgia, *Chairman*

JENNINGS RANDOLPH, West Virginia
 RICHARD (DICK) STONE, Florida
 VANCE HARTKE, Indiana

(II)

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(III)

VETERANS DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1976

SEPTEMBER 9, 1976.—Ordered to be printed

Mr. HARTKE, from the Committee on Veterans' Affairs,
submitted the following

REPORT

[To accompany H.R. 14299]

The Committee on Veterans' Affairs, to which was referred the bill (H.R. 14299) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENT

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1976".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

- (1) by striking out in subsection (a) "\$35" and inserting in lieu thereof "\$38";
- (2) by striking out in subsection (b) "\$65" and inserting in lieu thereof "\$70";
- (3) by striking out in subsection (c) "\$98" and inserting in lieu thereof "\$106";
- (4) by striking out in subsection (d) "\$134" and inserting in lieu thereof "\$145";
- (5) by striking out in subsection (e) "\$188" and inserting in lieu thereof "\$206";
- (6) by striking out in subsection (f) "\$236" and inserting in lieu thereof "\$255";

(7) by striking out in subsection (g) "\$280" and inserting in lieu thereof "\$302";

(8) by striking out in subsection (h) "\$324" and inserting in lieu thereof "\$350";

(9) by striking out in subsection (i) "\$364" and inserting in lieu thereof "\$398";

(10) by striking out in subsection (j) "\$655" and inserting in lieu thereof "\$707";

(11) by striking out in subsection (k) "\$52" and "\$814" and "\$1,139" each time they appear and inserting in lieu thereof "\$56" and "\$879" and "\$1,231", respectively;

(12) by striking out in subsection (l) "\$814" and inserting in lieu thereof "\$879";

(13) by striking out in subsection (m) "\$896" and inserting in lieu thereof "\$968";

(14) by striking out in subsection (n) "\$1,018" and inserting in lieu thereof "\$1,099";

(15) by striking out in subsections (o) and (p) "\$1,139" each time it appears and inserting in lieu thereof "\$1,231";

(16) by striking out in subsection (r) "\$489" and inserting in lieu thereof "\$528"; and

(17) by striking out in subsection (s) "\$732" and inserting in lieu thereof "\$791".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

Sec. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out in subparagraph (A) "\$40" and inserting in lieu thereof "\$43";

(2) by striking out in subparagraph (B) "\$67" and inserting in lieu thereof "\$72";

(3) by striking out in subparagraph (C) "\$85" and inserting in lieu thereof "\$92";

(4) by striking out in subparagraph (D) "\$105" and "\$19" and inserting in lieu thereof "\$113" and "\$21", respectively;

(5) by striking out in subparagraph (E) "\$26" and inserting in lieu thereof "\$28";

(6) by striking out in subparagraph (F) "\$45" and inserting in lieu thereof "\$49";

(7) by striking out in subparagraph (G) "\$67" and "\$19" and inserting in lieu thereof "\$72" and "\$21", respectively;

(8) by striking out in subparagraph (H) "\$32" and inserting in lieu thereof "\$35" and by striking out in such subparagraph after the semicolon "and";

(9) by striking out in subparagraph (I) "\$61" and inserting in lieu thereof "\$66"; and

(10) by redesignating subparagraph (I) as subparagraph (J) and inserting the new subparagraph (I) as follows:

"(I) notwithstanding the other provisions of this subsection, the monthly payable amount on account of a spouse who is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be \$78 for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this subsection; and"

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"§411. Dependency and indemnity compensation to a surviving spouse

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	\$260	W-4	\$372
E-2	268	O-1	328
E-3	275	O-2	340
E-4	292	O-3	364
E-5	300	O-4	384
E-6	307	O-5	423
E-7	322	O-6	476
E-8	340	O-7	516
E-9	355	O-8	565
W-1	328	O-9	607
W-2	341	O-10	664
W-3	352		

"1 If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be \$382.

"2 If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be \$712.

"(b) If there is a surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increased by \$31 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by \$78 if the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person."

Sec. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) one child, \$131;

"(2) two children, \$189;

"(3) three children, \$243; and

"(4) more than three children, \$243, plus \$49 for each child in excess of three."

Sec. 203. Section 414 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "\$72" and inserting in lieu thereof "\$78";

(2) by striking out in subsection (b) "\$121" and inserting in lieu thereof "\$131"; and

(3) by striking out in subsection (c) "\$62" and inserting in lieu thereof "\$67".

Sec. 204. (a) The Administrator shall carry out a thorough and detailed study of the dependency and indemnity compensation program authorized under chapter 13 of this title and of its beneficiaries to measure and evaluate the adequacy of benefits provided under this program and to determine whether, or to what extent, benefits should be based on the military pay grade of the person upon whose death entitlement is predicated.

(b) The report of such study shall include such full statistical data as may be obtained concerning surviving spouses and dependents in receipt of dependency and indemnity compensation other than under section 415 of title 38, United States Code, and in each instance the data shall include a breakdown of the distribution of the surviving spouses and dependents amongst the pay grade levels set forth in section 411(a) of title 38, United States Code. Data concerning such surviving spouses and dependents shall include (1) full statistical information concerning the number and ages of surviving spouses and dependents, the number of surviving spouses that remarry, the number of surviving spouses with dependents, and the number of surviving spouses in receipt of aid and attendance; (2) full statistical information concerning the number of surviving spouses and the number of dependents in receipt of old-age, survivors, and disability insurance (OASDI) cash benefits and the amount and type thereof, the number of surviving spouses and the number of dependents in receipt of other Federal or State assistance and the amount and type thereof, the number of surviving spouses in receipt of State survivor benefits and the amount and type thereof to include a

breakdown by State, and the number of surviving spouses who work and their earnings therefrom; (3) full statistical information concerning the educational attainment of the survivor's deceased spouse; and (4) full statistical information concerning those surviving spouses whose veteran spouse was in receipt of disability compensation pursuant to chapter 11 of title 38, prior to death and the rating of disability thereof.

(c) The report together with such comments and recommendations by the Administrator for improving the program as are appropriate shall be submitted to the Congress and the President not later than October 1, 1977.

TITLE III—OTHER DISABLED VETERANS PROGRAM IMPROVEMENTS

SEC. 301. Section 362 of title 38, United States Code, is amended by striking out "\$175" and inserting in lieu thereof "\$190".

SEC. 302. Section 806 of title 38, United States Code, is amended by striking out in subsection (c) "\$30,000," and inserting in lieu thereof "\$40,000."

SEC. 303. Section 1901 of title 38, United States Code, is amended—

(1) by striking out in paragraph (1) before the colon at the end of clause (A) "during World War II or thereafter" and inserting in lieu thereof "on or after September 16, 1940"; and

(2) by striking out in paragraph (1) before the period at the end of clause (B) "during World War II or thereafter" and inserting in lieu thereof "on or after September 16, 1940".

SEC. 304. (a) Chapter 23 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 908. Transportation of deceased veterans to a national cemetery

"Where a veteran dies as the result of a service-connected disability, or is in receipt of (but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, the Administrator may pay, in addition to any amount paid pursuant to section 902 or 907 of this title, the cost of transportation of the deceased veteran for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available."

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"908. Transportation of deceased veterans to a national cemetery."

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS AND EFFECTIVE DATE PROVISIONS

SEC. 401. Chapter 11 of title 38, United States Code, is amended—

(1) by striking out in the table of sections at the beginning of such chapter 11

"358. Minimum rating for arrested tuberculosis.;"

(2) by striking out in paragraph (3) of section 301 "Leprosy" and inserting in lieu thereof "Hansen's disease";

(3) by striking out in paragraph (4) of section 301 "Leprosy", and by inserting in paragraph (4) of such section "Hansen's disease" between "Filaria" and "Leishmaniasis, including kala-azar";

(4) by striking out in clause (o) of section 314 "in combination with total blindness with 5/200 visual acuity or less,"; and

(5) by striking out in clause (r) of section 314 "3203(f)" and inserting in lieu thereof "3203(e)".

SEC. 402. Section 3012(b) of title 38, United States Code is amended—

(1) by inserting in clause (2) "annulment," immediately before "divorce" each time it appears; and

(2) by striking out in clause (9) "his" and inserting in lieu thereof "the beneficiary's".

SEC. 403. (a) The Administrator of Veterans' Affairs shall conduct a scientific

study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such relationship; and (2) an analysis of statistically valid samples of disability claims of veterans having service-connected extremity amputation matched by age, sex and war period with nonamputee veterans.

(c) The report, together with such comments and recommendations as the Administrator deems appropriate, shall be submitted to the Speaker of the House and the President of the Senate not later than June 30, 1977.

SEC. 404. Chapter 11 of title 38, United States Code, is further amended—

(1) by striking out in clauses (A) and (B) of section 301(2) "him" and inserting in lieu thereof "such veteran";

(2) by striking out in section 302(a) "widow of a veteran under this chapter unless she was married to him" and inserting in lieu thereof "surviving spouse of a veteran under this chapter unless such surviving spouse was married to such veteran";

(3) by striking out in section 302(b) "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(4) by striking out in the catchline of section 302 "widows" and inserting in lieu thereof "surviving spouses";

(5) by striking out in the table of sections at the beginning of such chapter 11

"302. Special provisions relating to widows."
and inserting in lieu thereof

"302. Special provisions relating to surviving spouses.;"

(6) by striking out in clauses (m) and (o) of section 314 "him" and inserting in lieu thereof "such veteran";

(7) by striking out in section 314(p) "in his discretion.;"

(8) by striking out in clauses (r) and (s) of section 314 "he" and "his" each time they appear and inserting in lieu thereof "such veteran" and "such veteran's", respectively;

(9) by striking out in clauses (A), (B), (C), (D), (E), (F), and (G) of section 315(1) "wife" each time it appears and inserting in lieu thereof "spouse";

(10) by striking out in section 315(1)(H) "mother or father, either or both dependent upon him" and inserting in lieu thereof "parent dependent upon such veteran";

(11) by striking out in section 315(2) "his";

(12) by striking out in section 321 "widow" and inserting in lieu thereof "spouse";

(13) by striking out in paragraphs (1) and (2) of section 322(a) "Widow" and inserting in lieu thereof "Surviving spouse";

(14) by striking out in paragraphs (3), (4), and (5) of section 322(a) "widow" and inserting in lieu thereof "surviving spouse";

(15) by striking out in section 322(a)(6) "mother or father" and inserting in lieu thereof "parent";

(16) by striking out in section 322(a)(7) "Dependent mother and father" and inserting in lieu thereof "Both dependent parents";

(17) by striking out in section 322(b) "widow" and inserting in lieu thereof "surviving spouse";

(18) by striking out in section 341 "widow" and inserting in lieu thereof "spouse";

(19) by striking out in section 351 "him", and by striking out in such section "his" and inserting in lieu thereof "such veteran's";

(20) by striking out in section 354(a) "his" and "he" each time they appear and inserting in lieu thereof "such veteran's" and "such veteran", respectively;

(21) by striking out in section 358 "in his discretion.", and by striking out in such section "his wife" and "a wife" and inserting in lieu thereof "such veteran's spouse" and "such spouse", respectively;

(22) by striking out in section 360 "his" each time it appears and inserting in lieu thereof "such veteran's";

(23) by striking out in section 361 "his" and inserting in lieu thereof "such former member's"; and

(24) by striking out in section 362 "he" and inserting in lieu thereof "the Administrator".

Sec. 405. Chapter 13 of title 38, United States Code, is amended—

(1) by striking out in subsections (a) and (b) of section 402 "his" and "he" each time they appear and inserting in lieu thereof "such veteran's" and "such veteran", respectively;

(2) by striking out in subsections (c) and (d) of section 402 "he" and "his widow" and inserting in lieu thereof "such veteran" and "such veteran's surviving spouse", respectively;

(3) by striking out in section 402(e) "his" and "he" each time they appear and inserting in lieu thereof "such person's" and "such person", respectively;

(4) by striking out in section 404 "widow", "she", and "him" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(5) by striking out in the catchline of section 404 "widows" and inserting in lieu thereof "surviving spouses";

(6) by striking out in the table of sections at the beginning of such chapter 13

"404. Special provisions relating to widows."
and inserting in lieu thereof

"404. Special provisions relating to surviving spouses.";

(7) by striking out in subsections (a) and (b) of section 410 "his widow", "widow", "he"; and "his" and inserting in lieu thereof "such veteran's surviving spouse," "surviving spouse", "such veteran", and "such veteran's", respectively;

(8) by striking out in the table of sections at the beginning of such chapter 13

"411. Dependency and indemnity compensation to a widow."
and inserting in lieu thereof

"411. Dependency and indemnity compensation to a surviving spouse.";

(9) by striking out in subsections (a) and (b) of section 412 "his", "he", and "widow" each time they appear and inserting in lieu thereof "such veteran's", "such veteran", and "surviving spouse", respectively;

(10) by striking out in subsections (a), (b), and (c) of section 414 "him", "woman", "widow", and "her deceased husband" each time they appear and inserting in lieu thereof "such child", "person", "surviving spouse", and "such person's deceased spouse", respectively;

(11) by striking out in paragraphs (1) and (2) of section 416(a) "widow" and "his" and inserting in lieu thereof "surviving spouse" and "such person's", respectively;

(12) by striking out in section 416(b) (1) "widow" and "her" and inserting in lieu thereof "surviving spouse" and "such surviving spouse", respectively;

(13) by striking out in section 416(c) "him" and inserting in lieu thereof "such child";

(14) by striking out in section 416(d) "him" each time it appears and inserting in lieu thereof "such parent";

(15) by striking out in section 416(e) (1) "he" and "his" and inserting in lieu thereof "such person" and "such beneficiary's", respectively;

(16) by striking out in section 416(e) (3) "his" and "he" and inserting in lieu thereof "such child's" and "the Administrator", respectively;

(17) by striking out in section 421 "him" and inserting in lieu thereof "the Administrator";

(18) by striking out in section 422(a) "his" and "him" and inserting in lieu thereof "such veteran's" and "such Secretary", respectively; and

(19) by striking out in section 423 "him" and "he" each time they appear and inserting in lieu thereof "the Administrator".

Sec. 406. The provisions of this Act shall become effective on October 1, 1976.

INTRODUCTION AND SUMMARY OF H.R. 14299, AS AMENDED

The Subcommittee on Compensation and Pensions chaired by Senator Herman E. Talmadge conducted a hearing on July 23, 1976. This hearing reviewed the Veterans' Administration service-connected disability compensation and dependency and indemnity compensation programs. The hearing also examined pending legislation including Chairman Hartke's bill, S. 3596, the "Veterans Disability Compensation and Survivor Benefits Act of 1976".

The Subcommittee received testimony in person or by submission from representatives of the Veterans' Administration, the Disabled American Veterans, The American Legion, the Veterans of Foreign Wars, American Veterans of World War II, Korea, and Vietnam, and the Paralyzed Veterans of America.

By agreement of the Subcommittee on Compensation and Pensions, both S. 3596 and the House-passed companion bill, H.R. 14299, were reported without recommendation to the full Committee for its consideration. The full Committee on Veterans' Affairs met in open executive session on September 1, 1976 to consider compensation legislation. After careful consideration, the Committee unanimously approved and ordered favorably reported H.R. 14299, with an amendment, in the nature of a substitute. That amendment generally contained the provisions of S. 3596, together with two minor provisions which were contained in H.R. 14299 as previously passed by the House of Representatives.

The basic provisions of the Veterans Disability Compensation and Survivor Benefits Act of 1976 would:

1. Provide an 8 percent cost-of-living increase for disabled veterans both in basic compensation rates and in the statutory awards relating to more serious disabilities;

2. Provide an 8 percent increase in the additional allowances for spouses, children and dependent parents paid to veterans rated 50 percent or more disabled;

3. Provide an 8 percent increase in dependency and indemnity compensation (DIC) benefits payable to surviving spouses of veterans where deaths were service-connected (including the additional allowance payable for dependent children and those in need of aid and attendance);

4. Provide an 8 percent increase in benefits, when there is no surviving spouse, payable to children of veterans whose deaths were service-connected;

5. Provide an 8 percent increase in DIC benefits paid to children who have become permanently incapable of self-support due to disability incurred prior to the age of 18;

6. Direct the Administrator to carry out a thorough study of the dependency and indemnity compensation program to measure and

evaluate the adequacy of benefits and to determine whether such benefits should be based on the former military pay grade of the deceased veteran;

7. Increase from \$175 to \$190 the annual clothing allowance paid certain seriously disabled veterans whose disability tends to wear out or tear their clothing;

8. Increase from \$30,000 to \$40,000 the VA mortgage protection life insurance available for certain severely disabled veterans eligible for and living in specifically adapted housing;

9. Extend eligibility for the VA automobile and adaptive equipment program to certain disabled veterans who served prior to World War II;

10. Authorize VA payment for the cost of transportation to a national cemetery for burial of the remains of deceased disabled veterans;

11. Authorize additional allowances for those spouses of veterans rated 50 percent or more disabled who require the aid and attendance of another person;

12. Include "annulment" as a form of dissolution of marriage in application of the "end of the year" rule in establishing the effective date of reduction or discontinuance of compensation, DIC, or pension as a result of such action;

13. Direct the Administrator to conduct a scientific study to determine if there is a casual relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders; and

14. Make numerous technical amendments to chapter 11, Disability Compensation, and chapter 13, Dependency and Indemnity Compensation including the elimination of unwarranted or inappropriate gender references.

BACKGROUND AND DISCUSSION

Increases in Disability Compensation

The Veterans' Administration disability compensation program provides income for 2,583,700 veterans who have service-connected disabilities. This number is composed of disabled veterans with the following periods of service: 44,000 disabled World War I veterans, 1,269,000 World War II veterans, 240,000 Korean conflict veterans, and 469,000 Vietnam era veterans. Compensation is paid according to the degree of disability. Section 355 of title 38, United States Code, provides that the ratings of disability which range from 10 to 100 percent (with additional allowances for statutory awards) for certain disabilities shall be based "as far as practical on the average impairment of earning capacity resulting from such injury for civilian occupation". In addition, other less tangible factors have also traditionally been considered by Congress in establishing compensation rates for those who sustained service-connected disabilities in the defense of their country.

The following table reveals average cost and caseloads for disabled veterans:

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS, DISABILITY, AND SURVIVOR COMPENSATION CASES

Total costs	Fiscal year 1975			Fiscal year 1976 (estimate)			Fiscal year 1977 (estimate)		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Compensation (total).....	2,583,749	\$1,803	\$7,544,382	2,586,372	\$1,994	\$8,263,205	2,583,700	\$2,013	\$8,199,961
Veterans (total).....	2,213,887	1,715	3,797,330	2,218,616	1,896	4,207,168	2,217,512	1,914	4,246,038
Spanish-American War.....	11	7,139	79	7	7,896	56	7	7,896	40
Mexican border period.....	11	7,140	80	9	6,005	51	7	6,005	63
World War I.....	58,657	2,352	137,287	49,900	2,600	129,238	43,700	2,604	113,812
World War II.....	1,218,136	1,598	2,044,047	1,294,800	1,759	2,274,639	1,269,000	1,779	2,257,681
Korean conflict.....	240,000	1,822	433,762	238,800	2,173	519,337	238,700	2,142	513,451
Vietnam era.....	469,000	1,823	739,726	440,000	2,111	930,895	469,000	2,023	948,883
Peacetime service.....	193,276	1,895	366,166	194,400	2,087	403,791	196,100	2,099	411,796
Survivors (total).....	369,862	2,326	860,167	367,956	2,582	950,164	366,186	2,605	953,923
Indian wars.....	1	2,064	2	1	2,312	2	1	2,312	2
Civil War.....	9	2,448	22	8	2,739	22	5	2,739	14
Spanish-American War.....	264	2,753	727	245	2,983	722	239	3,063	709
Mexican border period.....	3	2,010	6	2	2,431	5	2	2,431	5
World War I.....	35,358	2,716	97,462	34,408	3,046	104,834	33,500	3,074	102,957
World War II.....	1,847,091	1,977	3,647,777	1,840,000	2,181	4,000,000	1,864,400	2,191	4,084,494
Korean conflict.....	240,000	2,621	629,226	238,200	2,890	689,377	240,000	2,869	680,268
Vietnam era.....	469,214	2,621	1,230,129	455,500	3,256	1,481,730	469,000	3,268	1,511,822
Peacetime service.....	44,514	2,817	126,650	44,400	3,128	139,403	44,300	3,147	137,020

The Committee periodically reviews the service-connected disability compensation program to ensure that authorized benefits provide reasonable and adequate compensation for disabled veterans.

Traditionally, this review of disability compensation and dependency and indemnity compensation (DIC) program has occurred biennially. But continuing inflation in recent years has led to review on an annual basis. The rates were adjusted 2 years ago by the Veterans Disability Compensation and Survivors Benefits Act of 1974 (Public Law 93-295).

Benefits were increased again last year with the enactment of the Veterans Disability Compensation and Survivor Benefits Act of 1975 (Public Law 94-71). That Act which provided increases of 10 percent in the rates for disability compensation for those veterans rated 50 percent or less disabled and a 12-percent increase for more severely disabled veterans rated 60 percent to totally and permanently disabled. A 10 percent cost-of-living increase was also provided in the rates of additional compensation for dependents of veterans whose disability was rated 50 percent or more. In addition, the law provides a 12-percent cost-of-living increase in the rates payable for dependency and indemnity compensation—DIC—for widows and children, as well as for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance.

Compensation and DIC rates were last increased effective August 1, 1975. Based on changes on the consumer price index to date, together with projected increases to October 1, 1976, as estimated by the President's Council on Economic Advisers, an 8 percent increase in rates will be required to protect the purchasing power of benefits paid to disabled veterans and survivors.

Disabled veterans and their survivors during the past year have continued to experience an increase in the cost-of-living. Following the hearing on this matter, the Committee believes that the 8 percent cost-of-living increase in compensation payments is both warranted and necessary to protect disabled veterans and their survivors from a continued loss of purchasing power. The following table shows the change in the cost-of-living that has occurred both since May 1, 1974, the effective date of Public Law 93-295 and from August 1, 1975, the effective date of Public Law 94-71 to August 1, 1976:

TABLE 2.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX
[In percent]

	1974	1975	1976
January.....	139.7	156.1	166.7
February.....	141.5	157.2	167.1
March.....	143.1	157.8	167.5
April.....	144.0	158.6	168.2
May.....	145.6	159.3	169.2
June.....	147.1	160.6	170.1
July.....	148.3	162.3	171.1
August.....	150.2	162.8	-----
September.....	151.9	163.6	-----
October.....	153.2	164.6	-----
November.....	154.3	165.6	-----
December.....	155.4	166.3	-----

Under the reported increase all disabled veterans would receive an 8 percent increase in the rates to which they were entitled. The following table shows the current rates for disability compensation and those proposed in H.R. 14299, as amended, as reported, together with the number of veterans placed in each rating:

TABLE 3.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER H.R. 14299, AS AMENDED

	Increase		Number of veteran
	From—	To—	
Percentage of disability or subsection under which payment is authorized:			
(a) 10 percent.....	\$35	\$38	868,986
(b) 20 percent.....	65	70	345,985
(c) 30 percent.....	98	106	313,717
(d) 40 percent.....	134	145	181,671
(e) 50 percent.....	188	203	112,816
(f) 60 percent.....	236	255	118,559
(g) 70 percent.....	280	302	80,453
(h) 80 percent.....	324	350	38,816
(i) 90 percent.....	364	393	13,409
(j) 100 percent.....	655	707	122,719
Higher statutory awards for certain multiple disabilities:			
(k) (1) Additional monthly payment for anatomical loss or loss of use of any of these organs: 1 foot, 1 hand, blindness in 1 eye (having light perception only), 1 or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss.....	52	56	85,488
(2) Limit for veterans receiving payments under (a) to (j) above.....	814	879	
(3) Limit for veterans receiving payments under (i) to (n) below.....	1,139	1,231	
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance.....	814	879	6,695
(m) Anatomical loss or loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, either with light perception only or rendering veteran so helpless as to require regular aid and attendance.....	896	968	2,846
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthesis or anatomical loss of both eyes.....	1,018	1,099	357
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (i) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less).....	1,139	1,231	29
(p) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed.....	1,139	1,231	6,611
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 40 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of 1 ear next intermediate rate is payable, but in no event may compensation exceed.....			
(q) [This subsection repealed by Public Law 90-493.]			
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to (o) or (p) rate.....	489	528	8,303
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound.....	732	791	6,946

For a broader perspective the following tables show statutory increases in the compensation program since 1933:

TABLE 4.—HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION INCREASES—1933 TO 1952

Sec. 314, title 38, subpar.—	Percent	July 1, 1933	Plus percent increase equals—	Jan. 19, 1934	Plus percent increase equals—	Public Law 312, 78th Cong., June 1, 1944	Public Law 182, 79th Cong., Oct. 1, 1945	Plus percent increase equals—	Public Law 562, 79th Cong., Sept. 1, 1946	Plus percent increase equals—	Public Law 339, 81st Cong., Dec. 1, 1949	Plus percent increase equals—	Public Law 356, 82d Cong., July 1, 1952	Plus percent increase equals—	Public Law 427, 82d Cong., Aug. 1, 1952	Plus percent increase equals—
(a).....	10	\$9	11.1	\$10	15	\$11.50	-----	20	\$13.80	8.7	\$15	5	\$15.75	-----	-----	7.9
(b).....	20	18	11.1	20	15	23.00	-----	20	27.60	8.7	30	5	31.50	-----	-----	4.8
(c).....	30	27	11.1	30	15	34.50	-----	20	41.40	8.7	45	5	47.25	-----	-----	5.8
(d).....	40	36	11.1	40	15	46.00	-----	20	55.20	8.7	60	5	62.00	-----	-----	4.8
(e).....	50	45	11.1	50	15	57.50	-----	20	(69.00)	8.7	75	15	86.25	-----	-----	5.5
(f).....	60	54	11.1	60	15	69.00	-----	20	82.80	8.7	90	15	103.50	-----	-----	5.3
(g).....	70	63	11.1	70	15	80.50	-----	20	96.60	8.7	105	15	120.75	-----	-----	5.2
(h).....	80	72	11.1	80	15	92.00	-----	20	110.40	8.7	120	15	138.00	-----	-----	5.0
(i).....	90	81	11.1	90	15	103.50	-----	20	124.20	8.7	135	15	155.25	-----	-----	5.0
(j).....	100	90	11.1	100	15	115.00	-----	20	138.00	8.7	150	15	172.50	-----	-----	4.9
Subpar. (s) (house-bound cases) Public Law 86-663, effective Sept. 1, 1960																
(l).....		150			33.3		\$200	20	240.00					10.8	\$266	4.9
(m).....		175			34.3		235	20	282.00					11.0	313	5.1
(n).....		200			32.5		265	20	318.00					11.0	353	5.1
(o).....		250			20.0		300	20	360.00					11.1	400	5.0
(p).....							300	20	360.00					11.1	400	5.0
Subpar. (r) "A and A" nonhospitalization, Public Law 85-782, effective Oct. 1, 1958																
(k).....		25			40.0		35	20	42.00					11.9	47	
(q).....															67	

TABLE 5.—HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION INCREASES—1954 TO PRESENT

Sec. 314, title 38, subpar.—	Public Law 695, 83d Cong., Oct. 1, 1954	Plus percent increase equals—	Public Law 85-168, Oct. 1, 1957	Plus percent increase equals—	Public Law 87-645, Oct. 1, 1962	Plus percent increase equals—	Public Law 89-311, Oct. 31, 1965	Plus percent increase equals—	Public Law 90-493, Jan. 1, 1969	Plus percent increase equals—	Public Law 91-376, July 1, 1970	Plus percent increase equals—	Public Law 92-328, Aug. 1, 1972	Plus percent increase equals—	Public Law 93-295, May 1, 1974	Plus percent increase equals—	Public Law 94-71, Aug. 1, 1975	Percent increase from Jan. 1, 1969	
(a).....	\$17	11.8	\$19	5.3	\$20	5.0	\$21	9.5	\$23	8.7	\$25	12.0	\$28	15	\$32	9.4	\$35	52.2	
(b).....	33	9.1	36	5.6	38	5.3	40	7.5	43	7.0	46	10.8	51	15	59	10.2	65	51.2	
(c).....	50	10.0	55	5.5	58	3.4	60	8.3	65	7.7	70	10.0	77	15	89	10.1	98	50.8	
(d).....	66	10.6	73	5.5	77	6.6	82	8.5	89	7.9	96	10.4	106	15	122	9.8	134	50.6	
(e).....	91	9.9	100	7.0	107	5.6	113	8.0	122	10.7	135	10.3	149	15	171	9.9	188	54.1	
(f).....	109	10.1	120	6.7	128	6.3	136	8.1	147	10.9	163	9.8	179	18	211	11.9	236	60.5	
(g).....	127	10.2	140	6.4	149	7.4	161	8.1	174	10.9	193	9.8	212	18	250	12.0	280	60.9	
(h).....	145	10.3	160	6.3	170	9.4	186	8.1	201	10.9	223	9.9	245	18	289	12.1	324	61.2	
(i).....	163	9.8	179	6.7	191	9.4	209	8.1	226	10.6	250	10.0	275	18	325	12.0	364	61.1	
(j).....	181	24.3	225	11.1	250	20.0	300	33.3	400	12.5	450	10.0	493	18	584	12.2	655	63.8	
Subpar. (s) (house-bound cases) Public Law 86-663, effective Sept. 1, 1960																			
(l).....		279	10.8	309	10.0	340	17.6	400	25.2	500	12.0	560	10.0	616	18	727	12.0	814	62.8
(m).....		329	9.1	359	8.6	390	15.4	450	22.2	550	12.0	616	10.1	678	18	800	12.0	896	62.9
(n).....		371	8.1	401	9.7	440	19.3	525	18.2	625	12.0	700	10.0	770	18	909	12.0	1,018	62.9
(o).....		420	7.1	450	16.7	525	14.3	600	16.7	700	12.0	784	9.	862	18	1,017	12.0	1,139	62.7
(p).....		420	7.1	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9	862	18	1,017	12.0	1,139	62.7
Subpar. (r) "A and A" nonhospitalization, Public Law 85-782, effective Oct. 1, 1958																			
(k).....			150	33.3	200	25.0	250	20.0	300	12.0	336	10.1	370	18	437	11.9	489	63.0	
(q).....														10	52	0	52	10.6	

Increases in Monthly Dependents Allowances

Under existing law, additional allowances are provided for dependents of veterans who are rated 50 percent or more disabled. H.R. 14299, as amended, provides 8 percent increases in dependency allowances to 365,000 veterans currently in receipt of these benefits. The additional compensation rates payable for dependents under present law and the Committee bill are shown in the following table:

TABLE 6.—ADDITIONAL DEPENDENTS ALLOWANCES PAID TO CERTAIN DISABLED VETERANS

	Increase	
	From	To
If and wife veteran is rated totally disabled and—		
(a) Has a wife but no child living.....	\$40	\$43
(b) Has a wife and one child living.....	67	72
(c) Has a wife and two children living.....	85	92
(d) Has a wife and three or more children living.....	105	113
(plus for each living child in excess of three).....	19	21
(e) Has no wife but one child living.....	26	28
(f) Has no wife but two children living.....	45	49
(g) Has no wife but three or more children living.....	67	72
(plus for each living child in excess of three).....	19	21
(h) Has a mother or father, either or both dependent upon him for support for each parent so dependent.....	32	35
(i) For each child who has attained age 18 and who is pursuing a course of instruction at an approved educational institution.....	61	66

This will result in an additional first year cost of \$10.7 million decreasing somewhat to \$10.5 million at the end of 5 years. The bill also contains a new provision addressed to the needs of a few service-connected veterans who are rated 50 percent or more disabled and who have spouses who are patients in a nursing home or who are so helpless as to require the regular aid and attendance of another person. This provision would pay additional compensation at a base rate of \$78 for the veteran who is 100 percent disabled, and proportionately less to those veterans rated from 50 percent to 90 percent disabled. This rate is in lieu of, not in addition to, the \$43 rate recommended in the bill for a spouse not so disabled.

Increases in Survivors Dependency and Indemnity Compensation

The dependency and indemnity compensation (DIC) program was created in 1965 with the enactment of the Servicemen's and Veteran's Survivor Benefits Act (Public Law 84-881).

DIC payments are authorized for widows, unmarried children under the age of 18 (as well as certain helpless children and those between the ages of 18 and 23 enrolled in school under chapter 35), and certain parents of servicemen or veterans who died on or after January 1, 1957, from: (a) A disease or injury incurred or aggravated in line of duty while on active duty or active duty training; or (b) an injury incurred or aggravated in line of duty while on inactive duty training; or (c) a disability otherwise compensable under laws administered by VA.

Widows, children, and parents who are on the rolls, or found to be eligible, for death compensation by reason of a death occurring before January 1, 1957 may elect to receive DIC payments in lieu of death compensation. They cannot thereafter choose to receive death compensation.

Prior to enactment of the DIC programs, the survivors of military personnel whose deaths were due to service-connected causes might have been eligible for as many as five different survivor benefits.

In 1969, Public Law 91-96 was enacted replacing the original DIC formula with a table of specific dollar rates related to the pay grade of uniformed services. An effort was made at that time to increase all widows payments by an amount equal to the increase in the cost of living since the effective date of the 1965 act. Subsequent adjustments occurred with: Public Law 92-197, which provided an additional 10-percent increase in benefits; Public Law 93-295, which provided a 17 percent increase; and Public Law 94-71, enacted last year, which provided a 12-percent increase in benefits.

The current DIC program provides benefits to more than 368,000 beneficiaries. The following table shows the current and anticipated survivor caseloads and costs by fiscal years:

TABLE 7.—AVERAGE COST AND CASELOAD OF SURVIVOR COMPENSATION CASES

	[Total cost in thousands]								
	Fiscal year 1975			Fiscal year 1976			Fiscal year 1977		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Indian wars.....	1	\$2,064	\$2	1	\$2,320	2	1	\$2,064	\$2
Civil War.....	9	2,446	22	8	2,867	23	6	2,750	17
Spanish-American War.....	264	2,753	727	238	2,941	700	195	3,029	591
Mexican border period.....	3	2,010	6	3	4,866	15	2	2,400	5
World War I.....	35,358	2,756	97,462	34,699	3,066	106,371	34,100	3,058	104,278
World War II.....	194,091	1,977	383,777	190,099	2,212	420,409	187,000	2,216	414,392
Korean conflict.....	39,274	2,251	88,392	39,360	2,504	98,544	39,400	2,514	99,052
Vietnam era.....	52,348	2,925	153,129	55,818	3,217	179,556	59,495	3,294	192,407
Peacetime service.....	48,514	2,817	136,650	48,147	3,122	150,337	47,700	3,138	149,683
Total.....	369,862	2,326	860,167	368,373	2,595	955,957	367,899	2,611	960,427

Title II of H.R. 14299, as amended, thus, provides a uniform cost-of-living increase of 8 percent in dependency and indemnity compensation rates for widows and children effective October 1, 1976, which is similar to that provided disabled veterans under title I. Additional allowances for widows in need of aid and attendance, helpless children, children between the ages of 18 and 23 attending schools, and widows and dependent parents in receipt of death compensation in need of aid and attendance are also increased by 8 percent. Existing and proposed rates are shown in the following table:

TABLE 8.—COMPARISON OF DIC RATES UNDER PRESENT LAW AND H.R. 14299, AS AMENDED

Pay grade:	From		To	
	From	To	From	To
E-1.....	\$241	\$260	326	352
E-2.....	248	268	344	372
E-3.....	255	275	304	328
E-4.....	270	292	315	340
E-5.....	278	300	337	364
E-6.....	270	292	356	384
E-7.....	278	300	382	423
E-8.....	284	307	441	476
E-9.....	298	322	478	516
E-10.....	315	340	523	565
E-11.....	329	355	562	607
W-1.....	304	328	615	664
W-2.....	316	341		

Comprehensive Survivor Benefits Study

The reported bill would also direct the Administrator to carry out a major study of the dependency and indemnity compensation program authorized under chapter 13 of title 38, United States Code. The study will evaluate the adequacy of benefits provided under the program and determine whether, or to what extent, benefits should be based on the military pay grade of the person upon whose death entitlement is predicated. As noted earlier, DIC benefits currently range from \$241 a month for the survivor of a private E-1 up to \$615 a month for the widow of an officer with a rank of O-10. The study required by this section is to contain full statistical data as to the financial situation of those in receipt of DIC. This study is to also include information as to the number of surviving spouses who have remarried, the number of surviving spouses in receipt of social security benefits or other Federal or State assistance, and their educational attainment. This information, together with an analysis and evaluation of it by the Veterans' Administration, will enable the Committee to be in a better position to gage the adequacy of survivor benefits and whether, or to what extent, they should continue to be based upon the former military pay grade of the deceased serviceman.

Veterans' groups generally are in strong support of this study provision. The Disabled American Veterans testified:

The DIC benefits for surviving spouses are currently based on the military pay grade of the deceased veteran. This system obviously results in much higher rates for the widows of high ranking officers than are paid to the widows of lower ranking enlisted men. . . .

As the purpose of the DIC program is to provide financial assistance for the survivors of veterans who have died from service-connected causes, we can see little justification for paying different rates to eligible beneficiaries who may be in identical financial circumstances.

The DAV therefore urges your approval of the proposed study, and we await with interest the report which, we believe, could form the basis for the future equalization of DIC rates.

The American Legion in testimony said that:

We believe that such a study would be useful not only to the Subcommittee, but also for the Congress and to The American Legion. It may suggest a departure from the military pay grade structure. Many service-connected deaths occur many years after termination of active duty. As you know, the history of the DIC program was related to a career oriented Armed Forces member.

And finally, the legislative director of AMVETS, while acknowledging that that organization had no official policy with respect to DIC benefits, testified that it was his belief that there would "be strong sentiment in favor of a more equitable system of payment over the present military pay grade criteria to determine the amount of benefits a survivor of a deceased service-connected veteran should receive."

The report, together with such comments and recommendations by the Administrator for improving the program as are appropriate, is to be submitted to Congress and the President not later than October 1, 1977.

Clothing Allowance Increase

Section 301 increases the annual clothing allowance from \$175 to \$190. This is a special clothing allowance for veterans who because of a compensable disability wear or use a prosthetic appliance which tends to wear out or tear their clothing. The clothing allowance was first authorized in 1972 by enactment of Public Law 92-328. Prior to that time, the Administrator had been authorized to furnish "special clothing" made necessary by the wearing of prosthetic appliances. However, the law did not authorize the furnishing of a replacement of conventional clothing made necessary by the extraordinary wear and tear resulting from the use of a prosthetic appliance. For that reason, Congress first authorized a \$150 annual clothing allowance and subsequently increased it to \$175 in Public Law 94-54.

Although the Veterans' Administration was and still is unsure as to the number of severely disabled veterans who are eligible for this allowance, it sent 61,378 computer-generated letters to prospective entitlements, who were identified by "anatomical loss" and "loss of use" codes. In fiscal year 1975, 53,165 veterans had been awarded the clothing allowance. Thus, according to VA supplied information, over 9,000 veterans, or approximately 15 percent of those veterans tentatively identified as eligible, had not been awarded the clothing allowance. Consequently the Committee in its report accompanying the 1975 compensation legislation urged greater outreach efforts to contact potential eligible recipients.

In fiscal year 1976, 56,012 clothing allowances were made, an increase of 2,847 over the 1975 figure. The Committee is encouraged by this increase but intends that additional outreach efforts will be made by the Veterans' Administration to identify and contact all those disabled veterans who are eligible for the allowance and encourage them to apply for it.

The Committee believes that the modest \$15 increase in the clothing allowance is justified by changes in the consumer price index.

Increasing the clothing allowance would also give further recognition to the difficulties these veterans must endure daily because of the special nature of their service-incurred disabilities. The first year additional cost of this provision will be \$0.8 million, slowly increasing to \$0.9 million at the end of 5 years.

Increased Mortgage Protection Life Insurance for Severely Disabled Veterans

Another provision contained in title III of the reported bill increases the mortgage protection life insurance amount for certain service-connected disabled veterans.

Currently, the Veterans' Administration, under section 806 of title 38, United States Code (Public Law 92-95) is authorized to purchase a commercial policy to provide mortgage protection life insurance for those seriously disabled veterans who have received grants for specially adapted housing under chapter 21, title 38 of the United States Code.

The program is supervised by the VA and administered by the Bankers Life Insurance Co. of Lincoln, Nebraska. Veterans eligible for housing assistance grants under chapter 21 are principally service-connected quadriplegics, paraplegics, and others who require the use of a wheelchair.

The Administrator is authorized to issue life insurance in the maximum amount of \$30,000 covering mortgages of veterans who receive grants (under chapter 21, title 38) for specially adapted housing necessitated by certain service-connected disability conditions. Under this provision, the veteran pays the standard premium rate which is deducted from the veteran's compensation payment. The Veterans' Administration pays the additional premium occasioned by the veteran's disability. Individual coverage under the group policy of insurance is automatic for eligible veterans with such mortgages, unless declined by the veteran, and continues until the veteran reaches age 70 or until earlier termination of the mortgage. Amount of coverage, subject to the general ceiling, is limited to that of the outstanding mortgage loan, with interest, and is reduced as the loan is amortized. In testimony before the Committee on Veterans' Affairs, when the committee was originally considering mortgage protection life insurance coverage, the Veterans' Administration stated:

Few, if any, of these veterans can obtain mortgage protection from commercial sources. The veterans have suffered greatly and deserve our most sympathetic understanding and consideration.

The Veterans' Administration spokesman further acknowledged that:

... the life expectancy of many of the veterans of this group have been shortened by their service-connected disabilities, and that following their death, the income of their widows or other survivors generally is substantially reduced.

The cost of the Veterans' Mortgage Life Insurance program is rather small and is estimated at \$2.4 million for fiscal year 1976. As of December 1975, 315,335 veterans held mortgage protection life insurance in the amount of \$147.5 million.

H.R. 14299, as amended, would increase the protection from \$30,000 to \$40,000. Mortgage protection life insurance was first approved on August 11, 1971, when it was estimated that the then average cost of specially adapted house was between \$30,000 and \$35,000. According to the Bureau of Labor Statistics, the Consumer Price Index (Housing) rose from 131.6 in 1971 to 188.6 in May 1976, an increase of 43 percent. Applying this to 1971 VA estimates, the average cost of such housing is projected to be between \$42,500 and \$50,050. Since that time the cost of living has increased by almost 38 percent, which the Committee believes more than justifies the increase provided in this section.

In the next 5 years, approximately 600 eligible veterans a year will both qualify for specially adapted housing and obtain VA supervised mortgage protection life insurance. Of that number, 450 a year can be expected to contract for such insurance at the maximum \$40,000 rate.

Extended Eligibility for VA Automobile and Adaptive Equipment Program

Title III also amends chapter 39 of title 38, United States Code, to extend eligibility under the VA automobile and adaptive equipment program to veterans who served on or after September 16, 1940, the date the first federalized National Guard units entered upon active duty.

Currently, only veterans who served during World War II or thereafter (that is, on or after December 7, 1941) are eligible for assistance in providing an automobile or other conveyance.

The program of basic automobile assistance grants was established by the Congress in Public Law 79-663 and enacted on August 8, 1946. Under that law, certain disabled veterans of World War II—with service between December 7, 1941 and December 31, 1946—were provided with, or assisted in the purchase of an automobile or other conveyance.

Public Law 82-187, enacted on October 20, 1951, extended these benefits to veterans of the Korean conflict—with service between June 27, 1950 and January 31, 1955. Public Law 90-77, effective October 1, 1967 and further extended these benefits to any veteran with service after January 31, 1955. Eligible veterans with service after January 31, 1955 had to qualify on the more restrictive criterion of having a disability incurred in line of duty as a direct result of performance of military duty, rather than under the standard service-connected criterion applied to World War II and Korean conflict veterans of having a disability resulting from an illness or injury sustained or aggravated in service in the line of duty.

Public Law 91-666, enacted December 31, 1970, and effective on January 11, 1971, increased the maximum amount payable toward the purchase of an automobile or other conveyance from \$1,600 to \$2,800. For the first time the law also provided for VA payments for necessary adaptive equipment as well as for the maintenance, replacement, and installation thereof. The 1971 Act also mandated the VA to establish safety standards for that equipment in order to assure the safe operation of the automobile or other conveyance and to satisfy the applicable standards of licensure by the proper licensing authority.

Public Law 93-583, enacted December 22, 1974, changed the definition of "eligible person" to include any veteran of service after World War II. The effect of that law was, first, to extend eligibility for benefits to veterans of service between the date of termination of World War II and the date of the beginning of the Korean conflict; and second, to provide that all determinations of eligibility under chapter 39 are to be based on a single service-connected standard—the disability is the result of service—rather than the more restrictive criterion applied to post-Korean conflict veterans of the Vietnam era. The maximum assistance was raised from \$2,800 to \$3,300. Assistance was also increased by directing the Administrator of the Veterans' Administration to provide, directly or by contract, for the conduct of

special driver training courses at every VA hospital and, where appropriate, at VA regional offices and VA medical facilities other than hospitals.

It is estimated that approximately 200 veterans would qualify and apply for these benefits (a large number of potentially eligible veterans are receiving institutional care) as a result of the amendment contained herein. The average cost per recipient is estimated to be \$3,800 for the purchase and adaption of an automobile.

Transportation of Deceased Veterans to a National Cemetery

Title III of the reported bill also authorizes payment of the cost of transportation of the body of a deceased veteran who dies as the result of a service-connected disability, or was in receipt of (or but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, for burial in a national cemetery. The payment shall not exceed the cost of transportation from the veteran's last place of residence to the nearest national cemetery with burial space available. This payment would be in addition to any amount paid pursuant to the provisions of sections 902 and 907 of title 38, United States Code.

It is estimated that there will be approximately 12,000 eligible veteran deaths during each of the first 5 fiscal years as shown in the following table:

	Fiscal year—				
	1977	1978	1979	1980	1981
Estimated deaths.....	11,440	11,898	12,374	12,868	13,383

Of this number, it is estimated that about half of these veterans will be buried in a national cemetery.

Transportation costs derived from the 1976 edition of "Funeral Services Facts and Figures" are estimated to average approximately \$93. The first year cost is estimated at \$0.5 million increasing to \$0.8 million in the fifth year.

Technical Amendments

A number of technical amendments are made to chapter 11, Compensation for Service-Connected Disabilities or Death, and chapter 13, Dependency and Indemnity Compensation for Service-Connected Deaths, to remove obsolete references and to remove unwarranted or inappropriate gender references.

The reported measure also amends section 3012(b) (2) by providing that reductions or discontinuances of compensation, dependency and indemnity compensation or pension by reason of annulment of a marriage of a dependent of a payee shall be the last day of the year in which such annulment occurs—just as in the case of divorce or death under current law.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office,

the costs attributable to this bill, H.R. 14299, as amended, are approximately \$388.7 million in fiscal year 1977, gradually decreasing to \$384.7 million in fiscal year 1981, all as shown in the following table:

TABLE 9.—FIVE-YEAR COST OF H.R. 14299, AS AMENDED
(In millions)

	Fiscal year—				
	1977	1978	1979	1980	1981
Sec. 101.....	297.6	296.7	295.5	294.0	292.2
Sec. 102.....	19.1	19.1	19.0	18.9	18.8
Secs. 201-203.....	70.0	70.3	70.6	70.9	71.4
Sec. 204.....	.2				
Sec. 301.....	.8	.9	.9	.9	.9
Sec. 302.....	.1	.2	.3	.5	.6
Sec. 303.....	.4			.7	
Sec. 304.....	.5	.6	.6		.8
Total.....	388.7	387.8	386.9	385.7	384.7

*Less than \$50,000.

The full text of report of the Congressional Budget Office can be found in "Agency Reports," *infra*.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report H.R. 14299, as amended, with an amendment, favorably to the Senate:

Yeas—9

Vance Hartke
Herman E. Talmadge
Jennings Randolph
Alan Cranston
Richard (Dick) Stone
John A. Durkin

Clifford P. Hansen
Strom Thurmond
Robert T. Stafford

Nays—0

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF H.R. 14299, AS AMENDED

Section 1

This section provides that the proposed act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1976."

TITLE I—VETERANS DISABILITY COMPENSATION

Section 101

Subsection (a) provides an 8 percent increase in the basic rates of service-connected disability compensation payable under section 314 of title 38, United States Code. Currently, a veteran with a 10-percent

disability receives \$38 monthly and a veteran with a disability rated at 100 percent receives \$655. The rates would be increased to \$38 and \$707, respectively. An increase of 8 percent is also provided for all higher statutory awards involving combinations of severe disabilities. An 8 percent increase is provided for the statutory awards payable under section 314(k).

Subsection (b) authorizes administrative adjustment consistent with the rate increases specified in subsection (a), of the rates of disability compensation payable to persons under section 10 of Public Law 85-857 who are not in receipt of compensation under chapter 11 of title 38, United States Code.

Section 102

This section provides increases in the additional allowances payable under section 315 of title 38, United States Code, to service-connected disabled veterans with spouses, children, and dependent parents when the veteran is rated 50 percent or more disabled. These allowances are increased by 8 percent and would affect approximately 365,000 veterans. A new paragraph "I" is added which would authorize an additional monthly payment of \$78 in the case of any veteran disabled 50 percent or greater who has a spouse in need of aid and attendance.

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

Section 201

Subsection (a) increases the rates of dependency and indemnity compensation (DIC) payable under section 411 to the widows of veterans who died of service-connected causes. Currently, the minimum amount of DIC payable for the widow of a veteran who attained the grade of E-1, is \$241 monthly, ranging upward to \$615 per month to the widow of a veteran who attained the grade of O-10. These rates would be increased by 8 percent or \$269 per month for an E-1 up to \$664 per month for an O-10.

Subsection (b) increases the additional monthly allowance payable under section 411(b) to a widow receiving DIC for each child under 18 by 8 percent from \$29 to \$31.

Subsection (c) provides an 8-percent increase in the additional allowance payable under section 411(c) to a widow in receipt of DIC who is in need of aid and attendance from \$72 per month to \$78.

Section 202

This section provides an 8-percent increase in the rates of DIC payable under section 413 for children when there is no widow entitled. Currently the rates range from \$121 for one child to \$225 for three children plus \$45 per month for each additional child. The increases would provide rates of \$131 to \$243, respectively, with \$49 for each additional child.

Section 203

Clause 1 provides an 8-percent increase in the additional allowance payable under section 414(a) to a child eligible for DIC who had

attained the age of 18 and is permanently incapable of self-support from \$72 to \$78 per month.

Clause 2 provides an increase of 8 percent in the additional allowance (from \$121 to \$131 per month) payable under section 414(b) to a widow receiving DIC when there is a child eligible who has attained the age of 18 and is permanently incapable of self-support.

Clause 3 provides an 8-percent increase (from \$62 per month to 67) in the additional allowance payable under section 414(c) to a widow in receipt of DIC when there is a child pursuing a course of education approved under section 104.

Section 204

This section directs the Administrator to carry out a thorough and detailed study of the dependency and indemnity compensation program to measure and evaluate the adequacy of benefits provided beneficiaries and to determine whether, or to what extent benefits should be based on the military pay grade of the person upon whose death entitlement is predicated. The comprehensive study, which shall include full statistical data as to the income characteristics and situation of beneficiaries under the chapter 13 program, is to be submitted with such comments and recommendations by the Administrator for improving the program, as are appropriate, not later than October 1, 1977.

TITLE III—OTHER DISABLED VETERANS PROGRAM IMPROVEMENTS

Section 301

This section increases by \$15 the clothing allowance payable under section 362 to any veteran who because of his compensable disability wears or uses a prosthetic or orthopedic appliance, including a wheelchair which tends to wear out or tear his clothing, from \$175 to \$190.

Section 302

This section amends section 806(c) of title 38 to increase from \$30,000 to \$40,000 the maximum mortgage protection life insurance available to certain service-connected disabled veterans who have specially adapted homes pursuant to chapter 21 of title 38.

Section 303

This section amends section 1901 of title 38 to extend eligibility for automobile and adaptive equipment for certain disabled veterans authorized by chapter 39 to those veterans who served on or after September 16, 1940. Under current law, eligibility is limited to those who served on or after December 7, 1941.

Section 304

Subsection (a) amends chapter 23 relating to burial benefits to add a new section 908 which would authorize payment of transportation expenses for any veteran who dies as a result of a service-connected disability or was in receipt of (or but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation to pay for burial in a National Cemetery. These payments are in addition to the amounts provided by section 902 and 907.

Such payment, however, is not to exceed the cost of transportation to the National Cemetery nearest the veteran's last place of residence in which burial space is available.

Subsection (b) amends the table of sections at the beginning of chapter 23 to reflect the addition of new section 908.

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS AND EFFECTIVE DATE PROVISIONS

Section 401

This section makes a number of technical amendments, including replacing certain outdated medical terms.

Section 402

This section amends section 3012 of title 38 by providing that reductions or discontinuances of compensation, dependency and indemnity compensation or pension by reason of annulment of a marriage of a dependent of a payee shall be the last of the year in which such annulment occurs—just as in the case of divorce or death under current law.

Section 403

This section directs the Administrator to conduct a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders. The study is to review existing studies already conducted or underway as well as analyze a statistically balanced sample of disability claims of veterans having service-connected extremity amputation matched by age, sex, and war period with non-amputee veterans. The report, together with such comments and recommendations that the Administrator deems appropriate, shall be submitted to Congress no later than June 30, 1977.

Section 404

This section makes technical amendments to chapter 11 of title 38 to remove unwarranted or unnecessary gender references. Those sections affected are: 302, 314, 315, 321, 322, 341, 351, 354, 358, 360, 361, and 362.

Section 405

This section makes technical amendments to chapter 13 of title 38 to remove unwarranted or unnecessary gender references. Those sections affected are: 402, 404, 410, 412, 414, 416, 421, 422, and 423.

Section 406

This section provides that the provisions of this Act shall take effect on October 1, 1977, the start of fiscal year 1977.

AGENCY REPORTS

The Committee requested and received reports from the Veterans' Administration and the Congressional Budget Office on bills pending before the Committee which would increase the rates of disability compensation for disabled veterans and also to increase the rates of dependency and indemnity compensation for their survivors. These reports follow:

[No. 137]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE,
CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., September 9, 1976.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington,
D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached revised cost estimate for H.R. 14299, the Veterans' Disability Compensation and Survivors' Benefits Act of 1976.

Should the Committee so desire, we would be pleased to provide further details on the attached revised cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

Attachment.

CONGRESSIONAL BUDGET OFFICE REVISED COST ESTIMATE

1. Bill number: H.R. 14299 (as amended).
2. Bill title: Veterans' Disability Compensation and Survivors' Benefits Act of 1976.
3. Purpose of bill: This bill provides for an increase of approximately 8 percent in the rates of disability compensation for disabled veterans and allowances for dependents of veterans 50 percent or more disabled. Similar increases are provided for dependency and indemnity compensation rates and clothing allowances. Included in the bill is an additional provision which would increase benefits to veterans 50 percent or more disabled who have a spouse in need of regular aid and attendance. The bill also provides for an increase in the mortgage life insurance coverage for disabled veterans from \$30,000 to \$40,000. The Automobile Assistance and Adaptive Equipment program would be extended to certain pre-World War II veterans by H.R. 14299. Transportation costs for deceased veterans to national cemeteries are also provided for in the bill. This bill has an effective date of October 1, 1976.

(25)

Cost estimate:

[In millions of dollars; fiscal years]

	1977	1978	1979	1980	1981
Sec. 101.....	297.6	296.7	295.5	294.0	292.2
Sec. 102.....	19.1	19.1	19.0	18.9	18.8
Secs. 201-203.....	70.0	70.3	70.6	70.9	71.4
Sec. 204.....	.2				
Sec. 301.....	.8	.9	.9	.9	.9
Sec. 302.....	.1	.2	.3	.5	.6
Sec. 303.....	.4			(1)	
Sec. 304.....	.5	.6	.6	.7	.8
Total.....	388.7	387.8	386.9	385.9	384.7

1 Less than \$50,000.

5. Basis for estimate:

Titles I and II: The estimates for each of the sections within these titles, with the exception of paragraph 10 of section 102 and section 204, were based on similar methodology and assumptions. Each section raises benefit levels for a number of classes of beneficiaries under the compensation program. It was assumed that the distribution of beneficiaries in each class would continue throughout the estimated periods to be the same as that experienced in fiscal year 1975. Based on those distributions, the VA estimates of beneficiaries were separated into classes. The VA estimates of total beneficiaries follow:

	Fiscal year—				
	1977	1978	1979	1980	1981
Disabled veterans (sec. 101).....	2,217,512	2,210,571	2,210,409	2,190,508	2,176,707
Veterans 50 percent or more disabled with dependents (sec. 102).....	365,800	364,700	363,200	361,400	359,200
Dependency and indemnity compensation (sec. 201).....	285,600	286,800	288,000	289,000	291,000

Once the numbers of beneficiaries in each class were established, the net benefit increase was multiplied by them to establish the estimated cost.

Paragraph 10 of section 102 provides additional compensation to veterans with a disability rated 50 percent or more who have a spouse in need of regular aid and attendance. Since this is a new benefit, no program statistics are available. It was, however, assumed that the incidence of severe disability as experienced in the population as a whole (by age and sex category) would provide an approximation of the incidence for covered dependents. Age breakdowns were assumed to parallel the period of service of the veteran; for example, spouses of World War I veterans were assumed to be over 64 years old, and it was further assumed that all spouses were female. Using incidence data as gathered in several Urban Institute studies and the VA estimates of dependents of 50 percent or more disabled veterans, a potential number of dependents in need of regular aid and attendance was

calculated. Since benefits are paid in an amount equal to the ratio that the rated disability of the veteran has to total disability, the monthly benefit of \$78 was scaled to reflect the average disability of veterans of over 50 percent. This scaled benefit was then multiplied by the number of potential beneficiaries to produce the approximate cost of this provision. The cost of this paragraph is detailed below:

Fiscal year:	
1977.....	7.5
1978.....	7.5
1979.....	7.4
1980.....	7.4
1981.....	7.4

Section 204 of title II provides for a study of the Dependency and Indemnity Compensation (DIC) program. Because such a study's cost is so dependent upon its design as specified by the agency, the VA's estimate for this section has been used.

Title III: Section 301 provides for an increase of \$15 in the clothing allowance for certain disabled veterans. The estimate for this section is simply the product of the \$15 increase and the VA estimates of beneficiaries (which are detailed below):

Clothing allowance beneficiaries (section 301)	
Fiscal year:	
1977.....	58,500
1978.....	57,900
1979.....	59,200
1980.....	60,400
1981.....	61,500

Section 302 increases the policy limit for mortgage life insurance for disabled veterans in specially adapted housing from \$30,000 to \$40,000. The cost of this provision, if applied prospectively, is a function of the number of 100 percent-disabled veterans who will have mortgages of over \$30,000 and the additional claims costs associated with their deaths. The VA assumes that out of a total of 600 participants, 450 in each year from fiscal year 1977 to fiscal year 1981 will contract for mortgage life insurance at \$40,000, and that a 30-per-1,000 death rate will apply throughout the fiscal year 1977 through fiscal year 1981 period. The additional costs of this provision are composed entirely of increased claims costs; no additional administrative costs are anticipated.

Section 303 extends benefits to certain veterans who served between September 16, 1940 and the beginning of World War II, under the Automobile Assistance and Adaptive Equipment program. Based on VA-supplied data on pre-World War II veterans, an estimate was made of those who would qualify for the program because of service between September 16, 1940 and the beginning of World War II. It was assumed that only half of these potentially eligible veterans would take advantage of the program since it is likely that a high percentage of them are receiving institutional care. The average cost per recipient was estimated to be \$3,800 for the purchase and adaptation of an automobile (\$3,300—car; \$500—adaptive equipment). It was also esti-

mated that by the third year of ownership (i.e., fiscal year 1980), approximately \$250 of maintenance and repair would have to be performed.

Finally, Section 304 provides that the Administrator may pay for the transportation of deceased veterans to a national cemetery, who had a compensative disability. The VA estimates that about 11,000 veterans would have qualified for the program in fiscal year 1976. Based on a mortality incidence which grows at a four percent annual rate, the total potential population was derived for each year of the estimate as detailed below:

Fiscal year:	Estimated deaths
1977	11,400
1978	11,898
1979	12,374
1980	12,868
1981	13,383

The 4 percent growth was based upon the 1974 national cemetery system study. Based on the same study, it was estimated that fifty percent of those qualified would require transportation. The 1976 edition of "Funeral Services Facts and Figures" estimates such costs to average approximately \$93. Thus, the estimate is the product of that average transportation cost (as inflated annually by the CBO estimated CPI) and fifty percent of the estimated deaths.

6. Estimate comparison: Methodologically, the CBO estimate and the VA estimate are quite similar with only minor differences in assumptions. The only exception is the estimate for paragraph 10 of section 102 for which a comparable VA estimate is not available.

7. Previous CBO estimate: On August 2, 1976, a CBO cost estimate was prepared for an earlier version of S. 3596.

8. Estimate prepared by: Roger C. Faxon (225-4972).

9. Estimate approved by:

JAMES L. BLUM,
Assistant Director
for Budget Analysis.

[No. 125]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 2, 1976.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 3596, the Veterans' Disability Compensation and Survivors' Benefits Act of 1976.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

Alice M. Rivlin,
Director.

Attachment.

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

1. Bill No.: S. 3596.
2. Bill title: Veterans' Disability Compensation and Survivors' Benefits Act of 1976.
3. Purpose of bill: This bill provides for an increase of approximately 8 percent in the rates of disability compensation for disabled veterans and allowances for dependents of veterans 50 percent or more disabled. Similar increases are provided for dependency and indemnity compensation rates and clothing allowances. The bill also provides for an increase in the mortgage life insurance coverage for disabled veterans from \$30,000 to \$40,000. The automobile assistance and adaptive equipment program would be extended to pre-WW II veterans by S. 3596. Transportation costs for deceased veterans to national cemeteries are also provided for in the bill. This bill has an effective date of October 1, 1976.
4. Cost estimate (dollars in millions):

	Fiscal year—				
	1977	1978	1979	1980	1981
Sec. 101	297.6	296.7	295.5	294.0	292.2
Sec. 102	11.6	11.6	11.6	11.5	11.4
Secs. 201-203	770.0	70.3	70.6	70.9	71.4
Sec. 204	.2				
Sec. 301	.8	.9	.9	.9	.9
Sec. 302	.1	.2	.3	.5	.6
Sec. 303	6.3			.2	
Sec. 304	.5	.6	.6	.7	.8
Total	387.1	380.3	379.5	378.7	377.3

(1)

5. Basis for Estimate:

Titles I and II.—The estimates for each of the sections within these titles, with the exception of section 204, were based on similar methodology and assumptions. Each section raises benefit levels for a number of classes of beneficiaries under the compensation program. It was assumed that the distribution of beneficiaries in each class would continue throughout the estimated periods to be the same as that experienced in fiscal year 1975. Based on those distributions, the VA estimates of beneficiaries were separated into classes. The VA estimates of total beneficiaries follow:

	Fiscal year—				
	1977	1978	1979	1980	1981
Disabled veterans (sec. 101).....	2,217,512	2,210,571	2,210,409	2,190,508	2,176,707
Veterans 50 percent or more disabled with dependents (sec. 102).....	365,800	364,700	363,200	361,400	359,200
Dependency and indemnity compensation (sec. 201).....	285,600	286,800	288,000	289,000	291,000

Once the numbers of beneficiaries in each class were established, the net benefit increase was multiplied by them to establish the estimated cost.

Section 204 of Title II provides for a study of the Dependency and Indemnity Compensation (DIC) program. Because such a study's cost is so dependent upon its design as specified by the agency, the VA's estimate for this section has been used.

Title III.—Section 301 provides for an increase of \$15 in the clothing allowance for certain disabled veterans. The estimate for this section is simply the product of the \$15 increase and the VA estimates of beneficiaries (which are detailed below):

	Fiscal year—				
	1977	1978	1979	1980	1981
Clothing allowance beneficiaries (sec. 301).....	56,500	57,900	59,200	60,400	61,500

Section 302 increases the policy limit for mortgage life insurance for disabled veterans in specially adapted housing from \$30,000 to \$40,000. The cost of this provision, if applied prospectively, is a function of the number of 100 percent-disabled veterans who will have mortgages of over \$30,000 and the additional claims costs associated with their deaths. The VA assumes that out of a total of 600 participants, 450 in each year from fiscal year 1977 to fiscal year 1981 will contract for mortgage life insurance at \$40,000, and that a 30-per-1,000 death rate will apply throughout the fiscal year 1977 through fiscal year 1981 period. The additional costs of this provision are composed entirely of increased claims costs; no additional administrative costs are anticipated.

Section 303 extends benefits to certain pre-World War II veterans under the Automobile Assistance and Adaptive Equipment program. The VA estimates this group to number 3,338. It was assumed that

only half of these potentially eligible veterans would take advantage of the program since a high percentage of them are receiving institutional care. The average cost per recipient was estimated to be \$3,800 for the purchase and adaptation of an automobile (\$3,300—car; \$500—adaptive equipment). It was also estimated that by the third year of ownership (that is, fiscal year 1980), approximately \$250 of maintenance and repair would have to be performed.

Finally, section 304 provides that the Administrator may pay for the transportation of deceased veterans to a national cemetery, who had a compensative disability. The VA estimate that about 11,000 veterans would have qualified for the program in fiscal year 1976. Based on a mortality incidence which grows at a four percent annual rate, the total potential population was derived for each year of the estimate as detailed below:

	Fiscal year—				
	1977	1978	1979	1980	1981
Estimated deaths.....	11,440	11,898	12,374	12,868	13,383

The 4 percent growth was based upon the 1974 national cemetery system study. Based on the same study, it was estimated that 50 percent of those qualified would require transportation. The 1976 edition of "Funeral Services Facts and Figures," estimates such costs to average approximately \$93. Thus, the estimate is the product of that average transportation cost (as inflated annually by the CBO estimated CPI) and 50 percent of the estimated deaths.

6. Estimate comparison: Methodologically, the CBO estimate and the VA estimate are quite similar with only minor differences in assumptions.

7. Previous CBO estimate: None.

8. Estimate prepared by: Roger Faxon (225-4972), and Kenneth Krug (225-4972).

9. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

[No. 124]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATION OF VETERANS' AFFAIRS,
Washington, D.C., July 28, 1976.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for a report on S. 3596, 94th Congress.

The measure to be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1976," would accomplish the following purposes:

(a) increase the monthly rates of service-connected disability compensation payable to veterans, including the additional amount authorized for dependents;

(b) increase the monthly rates of dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths were service connected;

(c) direct the Administrator to make a thorough study of the DIC program in order to determine the adequacy of the benefits provided and what relationship, if any, such benefits should have to the military pay grade of the deceased service person;

(d) increase the annual clothing allowance to certain veterans wearing or using a prosthetic or orthopedic appliance;

(e) increase the maximum mortgage protection life insurance limit for veterans receiving grants for specially adapted housing from \$30,000 to \$40,000;

(f) extend eligibility for the present automobile allowance (and adaptive equipment) to any person who otherwise meets eligibility requirements, based on any period of service;

(g) provide that the Administrator, in his discretion, may pay for transporting the body of a veteran to a national cemetery in cases where death was service connected or where the veteran was, at the time of death, entitled to receive disability compensation; and

(h) make the effective date for reduction or discontinuance of compensation, DIC or pension, by reason of annulment of a marriage of a dependent of a payee, the last day of the year in which such annulment occurs.

The basic purpose of the disability compensation program (ch. 11, title 38, United States Code), throughout its history has been to provide relief for the impaired earning capacity of veterans disabled as the result of their military service. The amount payable varies according to the degree of disability which, in turn, is required by the law (38 U.S.C. 355) to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupation. Additional compensation for dependents is payable to any veteran entitled to basic compensation for disability rated at not less than 50 percent.

Under chapter 13 of the stated title 38, DIC payments are made to surviving spouses and certain parents and children of veterans who die of a service-connected cause. For surviving spouses, the monthly rates are geared to the pay grade of the deceased veteran, ranging from \$241 for the surviving spouse of an E-1, to \$615 for the surviving spouse of an O-10. The applicable surviving spouse's rate is increased by \$29 for each child of the veteran under age 18. An additional amount of \$72 is payable where the surviving spouse is (1) a patient in a nursing home, or (2) helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

For children, where no surviving spouse is entitled, the monthly rates range from \$121 for one child to \$225 for three children (plus \$45 for each additional child). In the case of certain children specified under 38 U.S.C. 414(a) who are permanently incapable of self-support, the applicable basic rate is increased by \$72 for each child. Under 38 U.S.C. 414(b) and (c), in cases wherein a surviving spouse is receiving benefits, monthly amounts of \$121 and \$62 are respectively paid separately to certain children of the veteran who are (1) permanently incapable of self-support, or (2) attending school while between 18 and 23 years of age.

An annual clothing allowance of \$175 is provided under 38 U.S.C. 362 to veterans who, because of service-connected disabilities, wear or use a prosthetic or orthopedic appliance which tends to wear out or tear the veteran's clothing.

Chapter 21 of title 38, United States Code, authorizes assistance grants to certain severely disabled veterans in securing specially adapted housing. Section 806 of title 38 provides for mortgage protection life insurance in such cases with a maximum limit of \$30,000. The premium rates paid by the veteran is based on the cost of insuring standard lives and the additional cost of such insurance is borne by the United States.

Section 1901, title 38, United States Code, restricts eligibility for an automobile allowance (up to \$3,300) and adaptive equipment to those persons who meet the requisite service-connected disability requirements incurred in active military, naval or air service during World War II or thereafter.

Current law, under section 903(a)(2) of title 38, United States Code, provides for transportation of the body to the place of burial, in addition to the non-service-connected burial allowance and plot allowance, or the service-connected allowance, when the veteran dies in a Veterans' Administration facility while properly admitted for hospital or domiciliary care under specified circumstances.

The effective date of a reduction or discontinuance of compensation, DIC, or pension by reason of marriage, divorce or death of a dependent of a payee is specified by 38 U.S.C. 3012(b)(2) to be the last day of the year in which such event occurs. The effective date for such reduction or discontinuance by reason of annulment of marriage of such a dependent, under general provisions of 38 U.S.C. 3012(a), is the date of annulment.

Title I of S. 3596 relates to compensation payable to veterans for service-connected disabilities. Section 101 provides increases in the basic compensation rates of approximately 8 percent.

Statutory awards relating to more serious disabilities, which are set forth in 38 U.S.C. 314, would also be increased approximately 8 percent by section 101 of S. 3596. The additional amounts for dependents provided by 38 U.S.C. 315, in cases of veterans with service-connected disabilities of at least 50 percent, would be increased approximately 8 percent by section 102 of the measure.

Title II of S. 3596 is concerned with DIC payable to the surviving spouses and children of deceased veterans. Section 201 provides increases of 8 percent in the monthly benefits payable to surviving spouses. The new basic rates would range from \$260 to \$661, according to the pay grade of the deceased veteran. The additional amount for each child under 18 would be raised from \$29 to \$31; and the special rate for aid and attendance for a qualified surviving spouse would increase from \$72 to \$78. Sections 202 and 203 would increase children's DIC rates by approximately 8 percent.

Section 204 would direct the Administrator to carry out a detailed study of the DIC program authorized under chapter 13 of title 38, United States Code, and of its beneficiaries, to measure and evaluate the adequacy of benefits therein provided and determine whether, or to what extent, benefits should be based on the military pay grade of the deceased veteran. Such report and comments are to be submitted to Congress and the President no later than February 1, 1977.

Title III of S. 3596 is concerned with proposed changes in other programs for disabled veterans.

Section 301 would increase the amount of the annual clothing allowance provided by section 362 of title 38, United States Code, from \$175 to \$190 for a percentage increase of approximately 8 percent.

Section 302 would amend section 806(c) of title 38 so as to increase the mortgage protection life insurance limit from \$30,000 to \$40,000.

Section 303 would amend 38 U.S.C. 1901 so as to remove the requirement that a person's qualifying disability must be a result of injury incurred or disease contracted or aggravated by active service during World War II or thereafter in order for such person to be eligible for the automobile allowance and adaptive equipment.

Section 304 would amend chapter 23 of title 38, United States Code, by adding a new section 908 authorizing payment, in addition to amounts provided by section 902 or 907 of said title 38, of the cost of transporting the deceased veteran for burial in a national cemetery; such payment not to exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available.

Title IV of S. 3596 contains numerous technical amendments (most of which delete references to gender) to chapters 11 and 13 of title 38, United States Code, and also deals with a change in effective date based on certain annulments of marriage.

Section 402 (title IV) would amend 38 U.S.C. 3012(b)(2) by providing that reductions or discontinuances of compensation, DIC or pension by reason of annulment of a marriage of a dependent of a payee shall be the last day of the year in which such annulment occurs—just as in the case of divorce or death of such dependent under current law.

Section 405 (title IV) specifies that the provisions of the measure shall take effect on October 1, 1976.

The needs of the disabled have been regularly recognized in the face of changing economic conditions. Since July 1952, there have been eleven compensation rate increases with the latest having become effective August 1, 1975. The surviving spouses and children of veterans who die of service-connected causes have not been neglected either. The rates of DIC payable to them have also been regularly increased with the latest increase having become effective August 1, 1975.

It has been the policy of the Administration to recommend Veterans' Administration benefit increases for disability compensation and DIC programs when needed in order to insure that our programs remain responsive to changing economic conditions. In 1975, the benefits paid under these programs were increased at a rate comparable to the increase in the cost of living since the prior rates were increased. Accordingly, we would support a rate increase (other than the special rate provided by 38 U.S.C. 314(k) for certain anatomical and other losses or losses of use) commensurate with the actual change in the cost of living from August 1, 1975, the date benefits were last increased, to September 30, 1976.

We particularly oppose paragraph (11) of subsection (a) of section 101 of S. 3596 which would increase from \$52 to \$56 the special rate provided by 38 U.S.C. 314(k) for certain anatomical and other losses and losses of use. That rate is payable in addition to basic rates of disability compensation and any higher statutory rates of compensation. Accordingly, it is felt that rates paid under general compensation increases are generally adequate for the pertinent veterans.

As already indicated, section 302 of the bill would amend subsection 806(c) of title 38, United States Code, to provide that the maximum individual coverage for mortgage protection life insurance would be \$40,000, instead of the present \$30,000 limit. This program, instituted in August 1971, provides decreasing life insurance covering mortgages of veterans who receive grants (under chapter 21, title 38) for specially adapted housing necessitated by certain service-connected disability conditions.

Individual coverage under the group policy of insurance is automatic for eligible veterans with such mortgages, unless declined by the veteran, and continues until the veteran reaches age 70 or until earlier termination of the mortgage. Amount of coverage, subject to the general ceiling, is limited to that of the outstanding mortgage loan, with interest, and is reduced as the loan is amortized. It is understood that for the first half of 1976, the average new loan for purchases of existing or new housing was \$30,365.09. The increased maximum coverage of \$40,000 seems reasonable and the Veterans' Administration favors such proposal.

We assume that the proposed increase would be only prospective—that is, for application to cases of specially adapted housing grants approved after the effective date of the amending Act. Section 302 of the bill does not make that clear, and a clarifying amendment to clearly state such prospective applicability should be made.

S. 3596, in section 303, proposes an equalization of treatment in eligibility for an automobile allowance and adaptive equipment by eliminating the restriction relating to the period of service. This would be accomplished by deleting, in section 1901 of title 38, the phrase "during World War II or thereafter."

The automobile allowance was established as a rehabilitative benefit, principally as a means of assisting certain disabled veterans in their employment endeavors. While originally limited to wartime-service veterans, entitlement to this benefit has been extended a number of times, most recently to post-World War II peacetime veterans under Public Law 93-538. The extensions to date have been to veteran groups of working age and thus could be viewed as consistent with the program's primary purpose of enhancing employability.

We believe that an extension of eligibility for the automobile allowance to veterans who served prior to World War II is inconsistent with the purpose of the program. The majority of veterans who would gain eligibility, principally veterans of service in 1917-1918, are well beyond normal working age and thus are highly unlikely to benefit from the allowance in terms of rehabilitation, readjustment, or employability.

Section 304 provides that the Administrator may pay for transporting to a national cemetery the body of a veteran who dies as a result of a service-connected disability or who is entitled to disability compensation at the time of his death.

The Veterans' Administration recognizes that there is a need for improvement in the present structure of veterans burial benefits, and has proposed legislation to accomplish that objective. We believe that the change proposed in section 304 should be considered in the context of other needed revisions to the cemetery and burial program as a whole. Thus, we would urge the committee to delete this provision of S. 3596 and consider it instead as a part of the Administration bill (S. 1361) which provides for the establishment of a grant program which will greatly expand the number and geographical distribution of veterans burial sites.

Section 402 would amend 38 U.S.C. 3012(b)(2) by providing that reductions or discontinuances of compensation, dependency and indemnity compensation or pension by reason of annulment of a marriage of a dependent of a payee shall be the last day of the year in which such annulment occurs—just as in the case of divorce or death under current law. The Veterans' Administration favors this proposal inasmuch as an annulment terminates the marital relationship as effectively as would death or divorce.

Except as noted below, it is estimated that the proposal, if enacted, would cost \$404.5 million in fiscal year 1977, declining slightly each year to \$398.3 million in fiscal year 1981. Additionally, the special study proposed bears a 1-year administrative cost estimate of \$2 million. The cost of extending the "end of year rule" to cases involving annulment is considered to be minimal. The estimated cost of the provision to increase the maximum mortgage protection life insurance for fiscal years 1977 through 1981 would be \$67,500, \$200,500, \$329,500, \$454,600 and \$575,900 respectively.

In view of the foregoing, the Veterans' Administration cannot favor enactment of S. 3596. However, it favors general rate increases of disability compensation for veterans and DIC for surviving spouses and dependent children commensurate with the actual increase in the cost of living since the last rate increases to the effective date of the new rates. It also favors increasing the limit of mortgage protection life

insurance to \$40,000 and extension of the "end of the year rule" to annulment situations. However, it opposes extending eligibility for the automobile allowance and adaptive equipment to include service before World War II and urges enactment of S. 1361 in lieu of the provision for transportation of the remains of certain veterans to a national cemetery.

Advice has been received from the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

O'DELL W. VAUGHN,

Deputy Administrator

(In the absence of

Richard L. Roudebush, Administrator).

[No. 123]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., July 27, 1976.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for a report on H.R. 14299, 94th Congress.

The measure to be cited as the "Veterans' Disability Compensation and Survivor Benefits Act of 1976", would accomplish the following purposes:

- (a) Increase the monthly rates of service-connected disability compensation payable to veterans, including the additional amount authorized for dependents;
- (b) Increase the monthly rates of dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose deaths were service connected;
- (c) increase the annual clothing allowance to certain veterans wearing or using a prosthetic or orthopedic appliance;
- (d) Allow an additional amount to a qualifying veteran receiving compensation who has a spouse who is so helpless or blind as to require regular aid and attendance of another person;
- (e) Direct the Administrator to make a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders; and
- (f) Make the effective date for reduction or discontinuance of compensation, DIC or pension, by reason of annulment of a marriage of a dependent of a payee, the last day of the year in which such annulment occurs.

The basic purpose of the disability compensation program (ch. 11, title 38, United States Code), throughout its history has been to provide relief for the impaired earning capacity of veterans disabled as the result of their military service. The amount payable varies according to the degree of disability which, in turn, is required by the law (38 U.S.C. 355) to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations. Additional compensation for dependents is payable to any veteran entitled to basic compensation for disability rated at not less than 50 percent.

Under chapter 13 of the stated title 38, DIC payments are made to surviving spouses and certain parents and children of veterans who die of a service-connected cause. For surviving spouses, the monthly

rates are geared to the pay grade of the deceased veteran, ranging from \$241 for the surviving spouse of an E-1, to \$615 for the surviving spouse of an O-10. The applicable surviving spouse's rate is increased by \$29 for each child of the veteran under age 18. An additional amount of \$72 is payable where the surviving spouse is (1) a patient in a nursing home, or (2) helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

For children, where no surviving spouse is entitled, the monthly rates range from \$121 for one child to \$225 for three children (plus \$45 for each additional child). In the case of certain children specified under 38 U.S.C. 414(a) who are permanently incapable of self-support, the applicable basic rate is increased by \$72 for each child. Under 38 U.S.C. 414 (b) and (c), in cases wherein a surviving spouse is receiving benefits, monthly amounts of \$121 and \$62 are respectively paid separately to certain children of the veteran who are (1) permanently incapable of self-support, or (2) attending school between 18 and 23 years of age.

Title I of H.R. 14299 relates to compensation payable to veterans for service-connected disabilities. Section 101 provides increases in the basic compensation rates of 8 percent.

Statutory awards, relating to more serious disabilities, which are set forth in 38 U.S.C. 314, would also be increased approximately 8 percent by section 101 of H.R. 14299. The additional amounts for dependents provided by 38 U.S.C. 315 in cases of veterans with service-connected disabilities of at least 50 percent would be increased approximately 8 percent by section 102 of the measure.

Section 102 would also add a new subparagraph which would, in effect, provide a veteran who has a service-connected rating of 50 percent or more disability, a new allowance for a spouse in need of regular aid and attendance of another person. This allowance would be in lieu of the additional compensation for a spouse now payable under sections 315 or 335 of title 38, United States Code. The new allowance would be \$78 for such a spouse of a totally disabled veteran with a proportional reduction of that amount where the veteran is rated less than total but, in any event, at least 50 percent disabled.

Section 103 would increase the amount of the annual clothing allowance provided by section 362 of title 38, United States Code, from \$175 to \$187 for a percentage increase of approximately 8 percent.

Title II of H.R. 14299 is concerned with service-connected dependency and indemnity compensation (DIC) payable to the survivors of deceased veterans. Section 201 provides increases of 8 percent in the monthly benefits payable to surviving spouses. The new basic rates would range from \$260 to \$664, according to the pay grade of the deceased veteran. The additional amount for each child under 18 would be raised from \$29 to \$31; and the special rate for aid and attendance for a qualified surviving spouse would go from \$72 to \$78. Sections 202 and 203 would increase children's DIC rates by approximately 8 percent.

Section 301 (title III) would direct the Administrator to conduct a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders.

Section 302 (title III) would amend 38 U.S.C. 3012(b) (2) by providing that reductions or discontinuances of compensation, dependency and indemnity compensation, or pension by reason of annulment of a marriage of a dependent of a payee shall be the last day of the year in which such annulment occurs—just as in the case of divorce or death under current law.

Section 401 (title IV) specifies that the provisions of the measure shall take effect on October 1, 1976.

The needs of the disabled have been regularly recognized in the face of changing economic conditions. Since July 1952, there have been 11 compensation rate increases with the latest having become effective August 1, 1975. The surviving spouses and children of veterans who die of service-connected causes have not been neglected either. The rates of DIC payable to them have also been regularly increased with the latest increase having become effective August 1, 1975.

It has been the policy of the Administration to recommend Veterans' Administration benefit increases for disability compensation and DIC programs when needed in order to insure that our programs remain responsive to changing economic conditions. In 1975, the benefits paid under these programs were increased at a rate comparable to the increase in the cost of living since the prior rates were increased. Accordingly, we would support an increase commensurate with the actual change in the cost of living from August 1, 1975, the date benefits were last increased, to September 30, 1976. We favor section 302 of the bill inasmuch as an annulment terminates the marital relationship as effectively as would death or divorce.

We particularly oppose paragraph (11) of subsection (a) of section 101 of H.R. 14299 which would increase from \$52 to \$56 the special rate provided by 38 U.S.C. 314(k) for certain anatomical and other losses and losses of use. That rate is payable in addition to basic rates of disability compensation and any higher statutory rates of compensation. Accordingly, it is felt that rates paid under general compensation increases are generally adequate for the pertinent veterans.

Sections 315 and 335 of title 38, United States Code, currently provide for additional compensation for dependents only if a veteran is entitled to compensation for a disability rated 50 percent or more. The additional compensation paid for dependents is nominal and is paid to the more seriously disabled veteran to assist the veteran in providing for the family.

H.R. 14299 proposes additional payment of compensation to a qualifying veteran for a spouse in need of aid and attendance (in lieu of the compensation payable under sections 315 and 335). To pay an additional amount for a dependent based upon the disability of that dependent is a direct departure from the stated purpose of the disability compensation, which is to compensate a veteran for the loss of earning capacity caused by service-connected disability. The needs of a dependent are not a factor in the payment of compensation. We therefore oppose this provision.

As already indicated, the bill would direct the Administrator to make a study to determine if there is a causal relationship between the amputation of an extremity and cardiovascular disorders that are subsequently incurred by service-connected amputee veterans. The

report of such study would include an analysis of cases in which amputee veterans are matched by age and sex with nonamputee veterans who had served in the same period of war.

There have been several studies dealing with the relationship between the amputation of an extremity and cardiovascular disorders. The evidence shows that a high percentage of amputations are due to cardiovascular disease. Many studies have shown, however, that the converse is not true, that is, that no significant relationship exists between traumatic amputation and later cardiovascular disease.

As a matter of general practice, the Veterans' Administration uses scientific studies and resources to insure the best possible health care for our veteran patients. Substantial attention has been and continues to be given to the problems of amputee veterans. In this instance, no new clues for probable productive investigation have been identified.

It is estimated that the cost of H.R. 14299, with the exceptions noted below, would be approximately \$396.4 million in fiscal year 1977, declining slightly each year to \$397.7 million in fiscal year 1981. Data are not available upon which to estimate cost of granting aid and attendance for wives of veterans 50 percent or more disabled. The cost of a contract for performance of the proposed special study is estimated to be approximately \$50,000, with an additional \$10,000 of expense incurred within the Veterans' Administration.

In view of the foregoing, the Veterans' Administration opposes enactment of H.R. 14299 but would support an increase in rates of disability compensation (other than the special rate provided by 38 U.S.C. 314(k) for certain anatomical and other losses or losses of use) and in rates of DIC for surviving spouses and children, commensurate with the actual change in the cost of living from August 1, 1975, to the effective date of the increase. We also favor extending the "end of year" rule for reduction or discontinuance of benefits by reason of annulment of marriage of a dependent of a payee.

Advice has been received from the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

[No. 4]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., April 2, 1975.

HON. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To amend title 38 of the United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans cemeteries, and to provide for transportation of bodies to a national cemetery." It is requested that this bill be referred to the appropriate committee and that it be favorably considered for enactment.

This draft bill implements, in part, the study made by the Veterans' Administration at the direction of the Congress in Public Law 93-43.

As its title indicates, one of the purposes of the bill is to establish a grant-in-aid program for State veterans cemeteries.

A great majority of the States provide some assistance, financial or in kind, for the burial of veterans. A burial allowance, provided either by the State or a political subdivision thereof, is the most common benefit, followed by the furnishing of burial plots, care and maintenance, and decoration of veterans graves. The prevailing philosophy among these governing bodies appears to be a willingness to shoulder a measure of responsibility for the burial of veterans.

One of the underlying considerations in passage of the National Cemeteries Act of 1973 was fulfillment of the veterans' desire to be buried with his comrades-in-arms, those with whom he shared the hazards and vicissitudes of wartime service, and with whom he continued his association after the wars through membership in veterans' organizations. Enactment of the proposed legislation would, through the authorization of grants for establishment, expansion, and improvement of State veterans cemeteries and payments to assist in defraying the cost of interment in and maintenance of those cemeteries, make it possible for the States and the Federal Government to share their mutual obligation toward veterans in this respect. The interest of the States in such programs is clearly established by the unilateral action taken by most States to furnish some assistance in the burial of veterans. The proposed program for assistance to the States would furnish an impetus to States to undertake further participation in meeting the burial needs of veterans. The establishment of State veterans cemeteries would complement those cemeteries already established or planned for the National Cemetery System, and make it possible for every veteran, who so desires, to be buried with his comrades-in-arms in a cemetery in his home State.

Section 2 of the bill would provide for the payment of the cost of transportation of the body of a deceased veteran who dies as the result of a service-connected disability, or is in receipt of (or but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, for burial in the national cemetery nearest the veteran's last place of residence in which burial space is available. The payment of transportation costs would be in addition to any amount paid pursuant to the provisions of sections 902 and 907 of title 38, United States Code.

There are enclosed a detailed section-by-section analysis of the draft bill and a document showing the changes which would be made in current law.

The draft bill would authorize appropriations for the fiscal year beginning July 1, 1975, and each of the 4 succeeding fiscal years for the new State grant-in-aid program. The actual cost of this program would depend on the extent to which the individual States participate in the program within that fund, and the level of appropriations provided. We estimate, however, that the annual cost over the first 5 years would average \$5,750,000 for the new section 1008 to title 38 proposed in the bill.

The costs to the Government of the new section 1009 to title 38 also would, in part, depend on participation of the States in the program. The approximate cost for each of the first 5 fiscal years is as follows:

Fiscal year:	Cost
1976.....	\$1, 000, 000
1977.....	2, 000, 000
1978.....	2, 000, 000
1979.....	2, 000, 000
1980.....	2, 000, 000
Total first 5-year cost.....	9, 000, 000

The costs to the Government of the new section 908 to title 38 would depend on the extent to which individuals participate in the program. Using an average transportation cost of \$75, and assuming a 5 percent per annum increase, the estimated cost for each of the first 5 fiscal years is as follows:

Fiscal year:	Cost
1976.....	\$230, 000
1977.....	246, 000
1978.....	271, 000
1979.....	291, 000
1980.....	316, 000
Total first 5-year cost.....	1, 354, 000

We are advised by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation, and that its enactment would be in accord with the program of the President.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

Enclosure.

A BILL To amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans cemeteries, and to provide for transportation of bodies to a national cemetery

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 24 of title 38, United States Code, is amended by—

(a) adding at the end thereof the following new sections:

“§ 1008. Aid to States for establishment, expansion, and improvement of veterans cemeteries.

“(a) There is hereby authorized to be appropriated \$4,000,000 for the fiscal year commencing July 1, 1975, and \$6,000,000 for each of the four succeeding fiscal years. Subject to the conditions set forth in subsection (b) of this section, sums appropriated pursuant to this section shall be used for making grants to States which have submitted, and have had approved by the Administrator, applications for assistance in establishing, expanding, or improving veterans cemeteries owned by a State.

“(b) The amount which may be granted to a State for the purposes of subsection (a) is subject to the following conditions:

“(1) no State may receive a grant or grants in any fiscal year in excess of 20 percent of the total amount appropriated for that fiscal year;

“(2) the amount granted to a State shall not under any circumstances exceed 50 percent of the total value of the land and improvements;

“(3) insofar as a grant made to a State is concerned, the total value of the land, which the State already owns and dedicates to such purpose at the time of the grant, may be considered in determining the amount of the State's contribution. However, the value of such land may only be considered once; and

“(4) where the cost of improvements is less than 50 percent of the total value of the land and improvements, as determined pursuant to subsection (3) above, the amount granted to a State shall not exceed the actual cost of the improvements and no future credit for the difference will be established.

“(c) Grants under this section shall be made on such other terms and conditions as may be prescribed in regulations by the Administrator.

“(d) Sums appropriated pursuant to subsection (a) of this section shall remain available until the end of the second fiscal year following the fiscal year for which they are appropriated.

“§ 1009. Payments to States for the interment of veterans and maintenance of State veterans cemeteries.

“(a) For the calendar year 1976 and each calendar year thereafter the Administrator may pay to any State upon application therefor in such form and containing such information as he may prescribe (1) an amount equal to one-half of the reasonable cost of interment incurred by such State, such amount not to exceed \$150 for each eligible person interred in a State veterans cemetery during that year, and (2) an amount equal to one-half of the reasonable cost of perpetual care maintenance, such amount not to exceed \$40 for each eligible person interred in a State veterans cemetery during that year.

“(b) The Administrator shall, prior to June 30, 1976, and biennially thereafter, conduct a survey to determine the reasonable cost of interment and perpetual care maintenance for the purposes of payment under subsection (a) of this section.

"(c) Payments under this section shall be made on such terms and conditions as may be prescribed in regulations by the Administrator"; and

(b) inserting at the end of the table of sections at the beginning of such chapter—

"1008. Aid to States for establishment, expansion, and improvement of veterans cemeteries."

"1009. Payments to States for the interment of veterans and maintenance of State veterans cemeteries."

SEC. 2. Chapter 23 of title 38, United States Code, is amended by—

(a) adding at the end thereof the following new section:

"§ 908. Transportation of bodies to a national cemetery.

"Where a veteran dies as the result of a service-connected disability, or is in receipt of (or but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, the Administrator, in his discretion, having due regard to the circumstances in each case may pay, in addition to any amount paid pursuant to section 902 or 907 of this title, the cost of transportation of the deceased veteran's body for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available."; and

(b) inserting at the end of the table of sections at the beginning of such chapter—

"908. Transportation of bodies to a national cemetery."

SEC. 3. (a) The first section of this Act shall become effective on the date of enactment.

(b) Section 2 of this Act shall become effective on the date of enactment, and its provisions will only be applicable to deaths occurring on and after such date.

SECTION-BY-SECTION ANALYSIS OF A DRAFT BILL

A BILL To amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans cemeteries, and to provide for transportation of bodies to a national cemetery.

SECTION 1

Section 1 of the bill would amend chapter 24 of title 38 by adding two new sections, 1008 and 1009.

Subsection (a) of new section 1008 of title 38 would add a new provision to authorize a program of assistance to the several States for the establishment, expansion, and improvement of veterans cemeteries. It would authorize the making of grants to the States which have submitted, and have had approved by the Administrator, applications for assistance for such purposes as they pertain to cemeteries owned by a State.

Subsection (b) of section 1008 establishes certain limitations upon the amount of a grant which would be made to a State under this program. It would provide that no State could receive in any fiscal year more than 20 percent of the amount appropriated by the Congress for that fiscal year. It would also provide that the amount granted to a State shall not under any circumstances exceed 50 percent of the

total value of the land and improvements. The total value of the land, which the State already owns and dedicates to such purpose at the time of the grant, may be considered in determining the amount of the State's contribution. However, the value of such land may only be considered once. It would further provide that where the cost of improvements is less than 50 percent of the total value of the land and improvements, as determined pursuant to subsection (3) of section 1008(b), the amount granted to a State shall not exceed the actual costs of the improvements and no future credit for the difference will be established.

Subsection (c) would authorize the Administrator to prescribe regulations setting forth other terms and conditions under which such grants would be made. The authority granted to the Administrator would be consonant with the basic purpose of allowing him to make appropriate evaluations and determinations in order to provide desirable conditions and limitations upon the operation of such a grant program.

Subsection (d) of section 1008 would provide that sums appropriated pursuant to subsection (a) would remain available until the end of the second fiscal year following the fiscal year for which they are appropriated. The appropriation of \$4 million for carrying out the purposes of section 1008 would become effective with the fiscal year commencing July 1, 1975, and the sum of \$6 million for each of the 4 succeeding fiscal years is provided.

Under new section 1009 of title 38 the Administrator would be authorized to pay on an annual basis to any State a sum of money equal to one-half of the reasonable cost of interment incurred by that State for each eligible person buried in a State veterans cemetery during that year, but not to exceed \$150 in any case. It would further authorize the Administrator to pay an additional amount equal to one-half of the reasonable cost of perpetual care maintenance for each such interment, but not to exceed \$40 in any case. The indicated purpose of these provisions is to furnish additional assistance, independent of other burial benefits provided in chapter 23 of title 38, to the several States in support of State veterans cemeteries which would complement the cemeteries of the National Cemetery System.

Subsection (b) would require the Administrator to conduct a survey in order to determine what the reasonable costs of interment and perpetual care maintenance are for the purposes of payment under subsection (a). It requires such survey to be initially conducted prior to June 30, 1976, and every 2 years thereafter.

Subsection (c) would authorize the Administrator to promulgate regulations to establish criteria for the purposes of payment of the benefits authorized under subsection (a) and which are to be based upon the surveys prescribed by subsection (b).

SECTION 2

Section 2 of the bill would amend chapter 23 of title 38 by adding a new section 908.

Subsection (a) would authorize payment of the cost of transportation of the body of a deceased veteran who dies as the result of a service-connected disability, or was in receipt of (or but for the receipt of retirement pay or pension under this title would have been

entitled to) disability compensation for burial in a national cemetery. The payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available. This payment would be in addition to any amount paid pursuant to the provisions of sections 902 and 907 of title 38, United States Code.

SECTION 3

Under this section the amendments to chapter 24 of title 38 would be effective on the date of enactment. The amendments to chapter 23 would also be effective on the date of enactment, but would only be applicable to deaths occurring on or after the date of enactment.

CHANGES IN EXISTING LAW MADE BY THE DRAFT BILL

Changes in existing law made by the draft bill are shown as follows. (Existing law proposed to be omitted is enclosed in black brackets; new matter to be printed in italics is underlined; existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

PART II. GENERAL BENEFITS

CHAPTER 24—NATIONAL CEMETERIES AND MEMORIALS

- Sec.
1000. Establishment of National Cemetery System; composition of such system; appointment of director.
1001. Advisory Committee on cemeteries and memorials.
1002. Persons eligible for interment in national cemeteries.
1003. Memorial areas.
1004. Administration.
1005. Disposition of inactive cemeteries.
1006. Acquisition of lands.
1007. Authority to accept and maintain suitable memorials.
1008. *Aid to States for establishment, expansion, and improvement of veterans cemeteries.*
1009. *Payments to States for the interment of veterans and maintenance of State veterans cemeteries.*

§ 1008. *Aid to States for establishment, expansion, and improvement of veterans cemeteries.*

(a) *There is hereby authorized to be appropriated \$4,000,000 for the fiscal year commencing July 1, 1975, and the sum of \$6,000,000 for each of the four succeeding fiscal years. Subject to the conditions set forth in subsection (b) of this section, sums appropriated pursuant to this section shall be used for making grants to States which have submitted, and have had approved by the Administrator, applications for assistance in establishing, expanding, or improving veterans cemeteries owned by a State.*

(b) *The amount which may be granted to a State for the purposes of subsection (a) is subject to the following conditions:*

(1) *no State may receive a grant or grants in any fiscal year in excess of 20 percent of the total amount appropriated for that fiscal year;*

(2) *the amount granted to a State shall not under any circumstances exceed 50 percent of the total value of the land and improvements;*

(3) *insofar as a grant made to a State is concerned, the total value of the land, which the State already owns and dedicates to such purpose at the time of the grant, may be considered in determining the amount of the State's contribution. However, the value of such land may only be considered once; and*

(4) *where the cost of improvements is less than 50 percent of the total value of the land and improvements, as determined pursuant to subsection (3) above, the amount granted to a State shall not exceed the actual cost of the improvements and no future credit for the difference will be established.*

(c) *Grants under this section shall be made on such other terms and conditions as may be prescribed in regulations by the Administrator.*

(d) *Sums appropriated pursuant to subsection (a) of this section shall remain available until the end of the second fiscal year following the fiscal year for which they are appropriated.*

§ 1009. *Payments to States for the interment of veterans and maintenance of State veterans cemeteries.*

(a) *For the calendar year 1976 and each calendar year thereafter the Administrator may pay to any State upon application therefor in such form and containing such information as he may prescribe (1) an amount equal to one-half of the reasonable cost of interment incurred by such State, such amount not to exceed \$150 for each eligible person interred in a State veterans cemetery during that year, and (2) an amount equal to one-half of the reasonable cost of perpetual care maintenance, such amount not to exceed \$40 for each eligible person interred in a State veterans cemetery during that year.*

(b) *The Administrator shall, prior to June 30, 1976, and biennially thereafter, conduct a survey to determine the reasonable cost of interment and perpetual care maintenance for the purposes of payment under subsection (a) of this section.*

(c) *Payments under this section shall be made on such other terms and conditions as may be prescribed in regulations by the Administrator.*

CHAPTER 23—BURIAL BENEFITS

Sec.

901. Flags.
902. Funeral expenses.
903. Death in Veterans' Administration facility; plot allowance
904. Claims for reimbursement.
905. Persons eligible under prior law.
906. Headstones and markers.
907. Death from service-connected disability.
908. *Transportation of bodies to a national cemetery.*

§ 908. Transportation of bodies to a national cemetery.

Where a veteran dies as the result of a service-connected disability, or is in receipt of (or but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, the Administrator, in his discretion, having due regard to the circumstances in each case may pay, in addition to any amount paid pursuant to section 902 or 907 of this title, the cost of transportation of the deceased veteran's body for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available.

CHANGES IN EXISTING LAW MADE BY H.R. 14299, AS AMENDED

In accordance 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 11—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

SUBCHAPTER I—GENERAL

Sec.

301. Definitions.

302. Special provisions relating to [widows] surviving spouses.

* * * * *

SUBCHAPTER VI—GENERAL COMPENSATION PROVISIONS

351. Benefits for persons disabled by treatment or vocational rehabilitation.

352. Persons heretofore having a compensable status.

353. Aggravation.

354. Consideration to be accorded time, place, and circumstances of service.

355. Authority for schedule for rating disabilities.

[356. Minimum rating for arrested tuberculosis.]

357. Combination of certain ratings.

358. Disappearance.

359. Protection of service connection.

360. Special consideration for certain cases of blindness or bilateral kidney involvement or bilateral deafness.

361. Payment of disability compensation in disability severance cases.

362. Clothing allowance.

Subchapter I—General

§ 301. Definitions

For the purposes of this chapter—

(1) The term "veteran" includes a person who died in the active military, naval, or air service.

(2) The term "period of war" includes, in the case of any veteran—

(A) any period of service performed by [him] such veteran after November 11, 1918, and before July 2, 1921, if such veteran served in the active military, naval, or air service after April 5, 1917, and before November 12, 1918; and

(B) any period of continuous service performed by [him] *such veteran* after December 31, 1946, and before July 26, 1947, if such period began before January 1, 1947.

(3) The term "chronic disease" includes—

Anemia, primary
 Arteriosclerosis
 Arthritis
 Atrophy, progressive muscular
 Brain hemorrhage
 Brain thrombosis
 Bronchiectasis
 Calculi of the kidney, bladder, or gallbladder
 Cardiovascular-renal disease, including hypertension
 Cirrhosis of the liver
 Coccidioidomycosis
 Diabetes mellitus
 Encephalitis lethargica residuals
 Endocarditis
 Endocrinopathies
 Epilepsies
 Hodgkin's disease
 [Leprosy] *Hansen's disease*
 Leukemia
 Myasthenia gravis
 Myelitis
 Myocarditis
 Nephritis
 Organic diseases of the nervous system
 Osteitis deformans (Paget's disease)
 Osteomalacia
 Palsy, bulbar
 Paralysis agitans
 Psychoses
 Purpura idiopathic, hemorrhagic
 Reynaud's disease
 Sarcoidosis
 Scleroderma
 Sclerosis, amyotrophic lateral
 Sclerosis, multiple
 Siringomyelia
 Thromboangiitis obliterans (Buerger's disease)
 Tuberculosis, active
 Tumors, malignant, or of the brain or spinal cord or peripheral nerves

Ulcers, peptic (gastric or duodenal)
 and such other chronic diseases as the Administrator may add to this list;

(4) The term "tropical disease" includes—

Amebiasis
 Blackwater fever
 Cholera
 Dracontiasis

Dysentery
 Filiariasis
Hansen's disease
 Leishmaniasis, including kala-azar
 [Leprosy]
 Loiasis
 Malaria
 Onchocerciasis
 Oroya fever
 Pinta
 Plague
 Schistosomiasis
 Yaws
 Yellow fever

and such other tropical diseases as the Administrator may add to this list.

§ 302. Special provisions relating to [widows] *surviving spouses*

(a) No compensation shall be paid to the [widow of a veteran under this chapter unless she was married to him] *surviving spouse of a veteran under this chapter unless such surviving spouse was married to such veteran—*

(1) before the expiration of fifteen years after the termination of the period of service in which the injury or disease causing the death of the veteran was incurred or aggravated; or

(2) for one year or more; or

(3) for any period of time if a child was born of the marriage, or was born to them before the marriage.

(b) Subsection (a) shall not be applicable to any [widow] *surviving spouse* who, with respect to date of marriage, could have qualified as a [widow] *surviving spouse* for death compensation under any law administered by the Veterans' Administration in effect on December 31, 1957.

Subchapter II—Wartime Disability Compensation

* * * * *

§ 314. Rates of wartime disability compensation

For purposes of section 310 of this title—

(a) if and while the disability is rated 10 per centum the monthly compensation shall be [\$35] \$38;

(b) if and while the disability is rated 20 per centum the monthly compensation shall be [\$65] \$70;

(c) if and while the disability is rated 30 per centum the monthly compensation shall be [\$98] \$106;

(d) if and while the disability is rated 40 per centum the monthly compensation shall be [\$134] \$145;

(e) if and while the disability is rated 50 per centum the monthly compensation shall be [\$188] \$203;

(f) if and while the disability is rated 60 per centum the monthly compensation shall be [\$236] \$255;

(g) if and while the disability is rated 70 per centum the monthly compensation shall be [\$280] \$302;

(h) if and while the disability is rated 80 per centum the monthly compensation shall be ~~[\$324]~~ \$350;

(i) if and while the disability is rated 90 per centum the monthly compensation shall be ~~[\$364]~~ \$393;

(j) if and while the disability is rated as total the monthly compensation shall be ~~[\$655]~~ \$707;

(k) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of one or more creative organs, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, or has suffered complete organic aphonia with constant inability to communicate by speech, or deafness of both ears, having absence of air and bone conduction, the rate of compensation therefor shall be ~~[\$52]~~ \$56 per month for each such loss or loss of use independent of any other compensation provided in subsections (a) through (j) or subsection (s) of this section but in no event to exceed ~~[\$814]~~ \$879 per month; and in the event the veteran has suffered one or more of the disabilities heretofore specified in this subsection, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by ~~[\$52]~~ \$56 per month for each such loss or loss of use, but in no event to exceed ~~[\$1,139]~~ \$1,231 per month;

(l) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both hands, or both feet, or of one hand and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly compensation shall be ~~[\$814]~~ \$879;

(m) if the veteran, as the result of service-connected disability has suffered the anatomical loss or loss of use of two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or has suffered blindness in both eyes having only light perception, or has suffered blindness in both eyes, rendering ~~[him]~~ *such veteran* so helpless as to be in need of regular aid and attendance, the monthly compensation shall be ~~[\$896]~~ \$968;

(n) if the veteran, as the result of service-connected disability, has suffered the anatomical loss of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance or has suffered the anatomical loss of both eyes, the monthly compensation shall be ~~[\$1,018]~~ \$1,099;

(o) if the veteran, as the result of service-connected disability, has suffered disability under conditions which would entitle ~~[him]~~ *such veteran* to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or if the veteran has suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at 60 per centum or more disabling and the veteran has also suffered service-connected total blindness with 5/200 visual acuity or less, ~~[in combination with total blindness with 5/200 visual acuity or less,]~~ the monthly compensation shall be ~~[\$1,139]~~ \$1,231;

(p) in the event the veteran's service-connected disabilities exceed the requirements for any of the rates prescribed in this section, the Administration ~~[, in his discretion,]~~ may allow the next higher rate or an intermediate rate, but in no event in excess of ~~[\$1,139]~~ \$1,231. In the event the veteran has suffered service-connected blindness, with 5/200 visual acuity or less and (1) has also suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at no less than 40 per centum disabling, the Administrator shall allow the next higher rate, or (2) has also suffered service-connected total deafness in one ear, the Administrator shall allow the next intermediate rate, but in no event in excess of ~~[\$1,139]~~ \$1,231;

* * * * *

(r) if any veteran, otherwise entitled to the compensation authorized under subsection (o), or the maximum rate authorized under subsection (p), is in need of regular aid and attendance, ~~[he]~~ *such veteran* shall be paid, in addition to such compensation, a monthly aid and attendance allowance at the rate of ~~[\$489]~~ \$528 per month, subject to the limitations of section 3203 ~~[(f)]~~ (e) of this title. For the purposes of section 334 of this title, such allowance shall be considered as additional compensation payable for disability;

(s) if the veteran has a service-connected disability rated as total, and (1) has additional service-connected disability or disabilities independently ratable at 60 per centum or more, or (2) by reason of ~~[his]~~ *such veteran's* service-connected disability or disabilities, is permanently housebound, then the monthly compensation shall be ~~[\$732]~~ \$791. For the purposes of this subsection, the requirement of "permanently housebound" will be considered to have been met when the veteran is substantially confined to ~~[his]~~ *such veteran's* house (ward or clinical areas, if institutionalized) or immediate premises due to a service-connected disability or disabilities which it is reasonably certain will remain throughout his lifetime.

§ 315. Additional compensation for dependents

Any veteran entitled to compensation at the rates provided in section 314 of this title, and whose disability is rated not less than 50 per centum, shall be entitled to additional compensation for dependents in the following monthly amounts:

(1) If and while rated totally disabled and—

(A) has a ~~[wife]~~ *spouse* but no child living, ~~[\$40]~~ \$43;

(B) has a ~~[wife]~~ *spouse* and one child living, ~~[\$67]~~ \$72;

(C) has a ~~[wife]~~ *spouse* and two children living, ~~[\$85]~~ \$92;

(D) has a ~~[wife]~~ *spouse* and three or more children living, ~~[\$105]~~ \$113 (plus ~~[\$19]~~ \$21 for each living child in excess of three);

(E) has no ~~[wife]~~ *spouse* but one child living, ~~[\$26]~~ \$28;

(F) has no ~~[wife]~~ *spouse* but two children living, ~~[\$45]~~ \$49;

(G) has no ~~[wife]~~ *spouse* but three or more children living, ~~[\$67]~~ \$72 (plus ~~[\$19]~~ \$21 for each living child in excess of three);

(H) has a ~~[mother or father, either or both dependent upon him]~~ *parent dependent upon such veteran* for support, then, in

addition to the above amounts, [§32] \$35 for each parent so dependent; [and]

(I) notwithstanding the other provisions of this subsection, the monthly payable amount on account of a spouse who is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be \$78 for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this subsection; and

[(I)] (J) notwithstanding the other provisions of this subsection, the monthly amount payable on account of each child who has attained the age of eighteen years and who is pursuing a course of instruction at an approved educational institution shall be [§61] \$66 for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this subsection.

(2) If and while rated partially disabled, but not less than 50 per centum, in an amount having the same ratio to the amount specified in paragraph (1) as the degree of [his] disability bears to total disability. The amounts payable under this paragraph shall be adjusted upward or downward to the nearest dollar, counting fifty cents and over as a whole dollar.

Subchapter III—Wartime Death Compensation

§ 321. Basic entitlement

The surviving [widow] spouse, child or children, and dependent parent or parents of any veteran who died before January 1, 1957 as the result of injury or disease incurred in or aggravated by active military, naval, or air service, in line of duty, during a period of war, shall be entitled to receive compensation at the monthly rates specified in section 322 of this title.

§ 322. Rates of wartime death compensation

(a) The monthly rates of death compensation shall be as follows:

(1) [Widow] Surviving spouse but no child, \$87;

(2) [Widow] Surviving spouse with one child, \$121 (with \$29 for each additional child);

(3) No [widow] surviving spouse but one child, \$67;

(4) No [widow] surviving spouse but two children, \$94 (equally divided);

(5) No [widow] surviving spouse but three children, \$122 (equally divided) (with \$23 for each additional child, total amount to be equally divided);

(6) Dependent [mother or father] parent \$75;

(7) [Dependent mother and father] Both dependent parents, \$40 each.

(b) The monthly rate of death compensation payable to a [widow] surviving spouse or dependent parent under subsection (a) of this section shall be increased by \$69 if the payee is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

* * * * *

Subchapter V—Peacetime Death Compensation

§ 341. Basic entitlement

The surviving [widow] spouse, child or children, and dependent parent or parents of any veteran who died before January 1, 1957, as the result of injury or disease incurred in or aggravated by active military, naval, or air service, in line of duty, during other than a period of war, shall be entitled to receive compensation as hereinafter provided in this subchapter.

* * * * *

Subchapter VI—General Compensation Provisions

§ 351. Benefits for persons disabled by treatment or vocational rehabilitation

Where any veteran shall have suffered an injury, or an aggravation of an injury, as the result of hospitalization, medical or surgical treatment, or the pursuit of a course of vocational rehabilitation under chapter 31 of this title, awarded [him] under any of the laws administered by the Veterans' Administration, or as a result of having submitted to an examination under any such law, and not the results of [his] such veteran's own willful misconduct, and such injury or aggravation results in additional disability to or the death of such veteran, disability or death compensation under this chapter and dependency and indemnity compensation under chapter 13 of this title shall be awarded in the same manner as if such disability, aggravation, or death were service-connected. Where an individual is, on or after December 1, 1962, awarded a judgment against the United States in a civil action brought pursuant to section 1346(b) of title 28, United States Code, or, on or after December 1, 1962, enters into a settlement or compromise under section 2672 or 2677 of title 28, United States Code, by reason of a disability, aggravation, or death treated pursuant to this section as if it were service-connected, then no benefits shall be paid to such individual for any month beginning after the date such judgment, settlement, or compromise on account of such disability, aggravation, or death becomes final until the aggregate amount of benefits which would be paid but for this sentence equals the total amount included in such judgment, settlement, or compromise.

* * * * *

§ 354. Consideration to be accorded time, place and circumstances of service

(a) The Administrator shall include in the regulations pertaining to service-connection of disabilities, additional provisions in effect requiring that in each case where a veteran is seeking service-connection for any disability, due consideration shall be given to the places, types, and circumstances of [his] such veteran's service as shown by [his] such veteran's service record, the official history of each organization in which [he] such veteran served, [his] such veteran's medical records, and all pertinent medical and lay evidence.

(b) In the case of any veteran who engaged in combat with the enemy in active service with a military, naval, or air organization of the United States during a period of war, campaign, or expedition,

the Administrator shall accept as sufficient proof of service-connection of any disease or injury alleged to have been incurred in or aggravated by such service satisfactorily lay or other evidence of service incurrence or aggravation of such injury or disease, if consistent with the circumstances, conditions, or hardships of such service, notwithstanding the fact that there is no official record of such incurrence or aggravation in such service, and, to that end, shall resolve every reasonable doubt in favor of the veteran. Service-connection of such injury or disease may be rebutted by clear and convincing evidence to the contrary. The reasons for granting or denying service-connection in each case shall be recorded in full.

* * * * *

§ 358. Disappearance

Where a veteran receiving compensation under this chapter disappears, the Administrator [in his discretion] may pay the compensation otherwise payable to the veteran to [his wife] *such veteran's spouse*, child, and parents. Payments made to [a wife] *such spouse*, child, or parent under the preceding sentence shall not exceed the amounts payable to each if the veteran had died from service-connected disability.

* * * * *

§ 360. Special consideration for certain cases of blindness or bilateral kidney involvement or bilateral deafness

Where any veteran has suffered (1) blindness in one eye as a result of service-connected disability and has suffered blindness in the other eye as a result of non-service-connected disability not the result of [his] *such veteran's* own willful misconduct, or (2) has suffered the loss or loss of use of one kidney as a result of service-connected disability, and has suffered severe involvement of the other kidney such as to cause total disability, as a result of non-service-connected disability not the result of [his] *such veteran's* own willful misconduct, or (3) has suffered total deafness in one ear as a result of service-connected disability and has suffered total deafness in the other ear as the result of non-service-connected disability not the result of [his] *such veteran's* own willful misconduct, the Administrator shall assign and pay to the veteran concerned the applicable rate of compensation under this chapter as if [his] *such veteran's* blindness in both eyes or such bilateral kidney involvement or such total deafness in both ears were the result of service-connected disability.

§ 361. Payment of disability compensation in disability severance cases

The deduction of disability severance pay from disability compensation, as required by section 1212(c) of title 10, United States Code, shall be made at a monthly rate not in excess of the rate of compensation to which the former member would be entitled based on the degree of [his] *such former member's* disability as determined on the initial Veterans' Administration rating.

§ 362. Clothing allowance

The Administrator under regulations which [he] *the Administrator* shall prescribe, shall pay a clothing allowance of [\$175] \$190 per

year to each veteran who because of disability which is compensable under the provisions of this chapter, wears or uses a prosthetic or orthopedic appliance or appliances (including a wheelchair) which the Administrator determines tends to wear out the clothing of such a veteran.

CHAPTER 13—DEPENDENCY AND INDEMNITY COMPENSATION FOR SERVICE-CONNECTED DEATHS

SUBCHAPTER I—GENERAL

Sec.

401. Definitions.
402. Determination of pay grade.
403. Coverage of members of Reserve Officers' Training Corps.
404. Special provisions relating to [widows] *surviving spouses*.

SUBCHAPTER II—DEPENDENCY AND INDEMNITY COMPENSATION

410. Deaths entitling survivors to dependency and indemnity compensation.
411. Dependency and indemnity compensation to a [widow] *surviving spouse*.
412. Benefits in certain cases of in-service or service-connected deaths.
413. Dependency and indemnity compensation to children.
414. Supplemental dependency and indemnity compensation to children.
415. Dependency and indemnity compensation to parents.
416. Dependency and indemnity compensation in cases of prior deaths.
417. Restriction on payments under this chapter.

* * * * *

Subchapter I—General

§ 402. Determination of pay grade

(a) With respect to a veteran who died in the active military, naval, or air service, [his] *such veteran's* pay grade shall be determined as of the date of [his] *such veteran's* death or as of the date of a promotion after death while in a missing status.

(b) With respect to a veteran who did not die in the active military, naval, or air service, [his] *such veteran's* pay grade shall be determined as of—

(1) the time of [his] *such veteran's* last discharge or release from active duty under conditions other than dishonorable; or

(2) the time of [his] *such veteran's* discharge or release from any period of active duty for training or inactive duty training, if [his] *such veteran's* death results from service-connected disability incurred during such period and if [he] *such veteran* was not thereafter discharged or released under conditions other than dishonorable from active duty.

(c) The pay grade of any veteran described in section 106(b) of this title shall be that to which [he] *such veteran* would have been assigned upon final acceptance or entry upon active duty.

(d) If a veteran has satisfactorily served on active duty for a period of six months or more in a pay grade higher than that specified in subsection (a) or (b) and any subsequent discharge or release from active duty was under conditions other than dishonorable, the higher pay grade shall be used if it will result in greater monthly payments to [his widow] *such veteran's surviving spouse* under this chapter. The determination as to whether an individual has served satisfactorily

for the required period in a higher pay grade shall be made by the Secretary of the Department in which such higher pay grade was held.

(e) The pay grade of any person not otherwise described in this section, but who had a compensable status on the date of [his] such person's death under laws administered by the Veterans' Administration, shall be determined by the head of the department under which such person performed the services by which [he] such person obtained such status (taking into consideration [his] such person's duties and responsibilities) and certified to the Administrator. For the purposes of this chapter, such person shall be deemed to have been on active duty while performing such services.

§ 403. Coverage of members of Reserve Officers' Training Corps

For the purposes of this chapter and section 722 of this title, annual training duty to which ordered for a period of fourteen days or more by a member of a Reserve Officers' Training Corps, and authorized travel to or from such a duty, shall be deemed to be active military, naval, or air service.

§ 404. Special provisions relating to [widows] surviving spouses

No dependency and indemnity compensation shall be paid to the [widow] surviving spouse of a veteran dying after December 31, 1956, unless [she] such surviving spouse was married to [him] such veteran—

- (1) before the expiration of fifteen years after the termination of the period of service in which the injury or disease causing the death of the veteran was incurred or aggravated; or
- (2) for one year or more; or
- (3) for any period of time if a child was born of the marriage, or was born to them before the marriage.

Subchapter II—Dependency and Indemnity Compensation

§ 410. Deaths entitling survivors to dependency and indemnity compensation

(a) When any veteran dies after December 31, 1956, from a service-connected or compensable disability, the Administrator shall pay dependency and indemnity compensation to [his widow] such veteran's surviving spouse, children, and parents. The standards and criteria for determining whether or not a disability is service-connected shall be those applicable under chapter 11 of this title.

(b) Dependency and indemnity compensation shall not be paid to the [widow] surviving spouse, children, or parents of any veteran dying after December 31, 1956, unless [he] such veteran (1) was discharged or released under conditions other than dishonorable from the period of active military, naval, or air service in which the disability causing [his] such veteran's death was incurred or aggravated, or (2) died while in the active military, naval, or air service.

§ 411. Dependency and indemnity compensation to a [widow] surviving spouse

(a) Dependency and indemnity compensation shall be paid to a [widow] surviving spouse, based on the pay grade of [her deceased

husband.] the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	\$241	W-4	\$344
E-2	248	O-1	304
E-3	255	O-2	315
E-4	270	O-3	337
E-5	278	O-4	356
E-6	284	O-5	392
E-7	298	O-6	441
E-8	315	O-7	478
E-9	329	O-8	523
W-1	304	O-9	562
W-2	316	O-10	615
W-3	326		

¹ If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be \$354.

² If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be \$660.

Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	\$260	W-4	\$372
E-2	268	O-1	328
E-3	275	O-2	340
E-4	292	O-3	364
E-5	300	O-4	384
E-6	307	O-5	423
E-7	322	O-6	476
E-8	340	O-7	516
E-9	355	O-8	565
W-1	328	O-9	607
W-2	341	O-10	664
W-3	352		

¹ If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be \$382.

² If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be \$712.

(b) If there is a [widow] surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the [widow] surviving spouse shall be increased by [\$29] \$31 for each such child.

(c) The monthly rate of dependency and indemnity compensation payable to a [widow] surviving spouse shall be increased by [\$72] \$78 if [she] the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

§ 412. Benefits in certain cases of in-service or service-connected deaths

(a) In the case of any veteran—

- (1) who dies after December 31, 1956, and is not a fully and currently insured individual (as defined in section 414 of title 42) at the time of [his] such veteran's death; and

(2) whose death occurs—

(A) while on active duty, active duty for training, or inactive duty training; or

(B) as the result of a service-connected disability incurred after September 15, 1940; and

(3) who leaves one or more survivors who are not entitled for any month to monthly benefits under section 402 of title 42 on the basis of [his] *such veteran's* wages and self-employment income but who would, upon application therefor, be entitled to such benefits if [he] *such veteran* had been fully and currently insured at the time of [his] *such veteran's* death;

The Administrator shall pay for such monthly benefits under this section to each such survivor in an amount equal to the amount of the benefits which would have been paid for such month to such survivor under subchapter II of chapter 7 of title 42, if such veteran had been both fully and currently insured at the time of [his] *such veteran's* death and if such survivor had filed application therefor on the same date on which application for benefits under this section is filed with the Administrator.

(b) In any case where the amount of dependency and indemnity compensation payable under this chapter to a [widow] *surviving spouse* who has children is less than the amount of pension which would be payable to (1) such [widow] *surviving spouse*, or (2) such children if the [widow] *surviving spouse* were not entitled, under chapter 15 of this title had the death occurred under circumstances authorizing payment of death pension, the Administrator shall pay dependency and indemnity compensation to such [widow] *surviving spouse* in an amount equal to such amount of pension.

§ 413. Dependency and indemnity compensation to children

Whenever there is no [widow] *surviving spouse* of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

- [(1) One child, \$121.]
 - [(2) Two children, \$175.]
 - [(3) Three children, \$225.]
 - [(4) More than three children, \$225 plus \$45 for each child in excess of three.]
- (1) *one child, \$131;*
 (2) *two children, \$189;*
 (3) *three children, \$243; and*
 (4) *more than three children, \$243, plus \$49 for each child in excess of three.*

§ 414. Supplemental dependency and indemnity compensation to children

(a) In the case of a child entitled to dependency and indemnity compensation who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, the dependency and indemnity compensation paid monthly to [him] *such child* shall be increased by [§72] \$78.

(b) If dependency and indemnity compensation is payable monthly to a [woman] *person* as a ["widow"] *"surviving spouse"* and there is a child (of [her deceased husband] *such person's deceased spouse*) who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of dependency and indemnity compensation to the [widow] *surviving spouse* in the amount of [§121] \$131.

(c) If dependency and indemnity compensation is payable monthly to a [woman] *person* as a ["widow"] *"surviving spouse"* and there is a child (of [her deceased husband] *such person's deceased spouse*) who has attained the age of eighteen and who, while under the age of twenty-three, is pursuing a course of instruction at an educational institution approved under section 104 of this title, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of dependency and indemnity compensation to the [widow] *surviving spouse*, in the amount of [§62] \$67.

§ 416. Dependency and indemnity compensation in cases of prior deaths

(a) (1) Any person who is eligible as a [widow] *surviving spouse* or child for death compensation by reason of a death occurring before January 1, 1957, may receive dependency and indemnity compensation upon application therefor.

(2) Any person who is eligible as a parent, or, but for [his] *such person's* annual income, would be eligible as a parent, for death compensation by reason of a death occurring before January 1, 1957, may receive dependency and indemnity compensation upon application therefor; however, the annual income limitations established by section 415 of this title shall apply to each such parent.

(b) (1) Whenever the [widow] *surviving spouse* of a veteran has been granted dependency and indemnity compensation by reason of this section, payments to [her] *such surviving spouse* and to the children of the veteran shall thereafter be made under this chapter, and shall not thereafter be made to them by reason of the death of the veteran under (A) other provisions of law administered by the Veterans' Administration providing for the payment of compensation or pension, or (B) the Federal Employees' Compensation Act.

(2) Whenever the child or parent of any veteran is granted dependency and indemnity compensation, payments shall not thereafter be made to such child or parent by reason of death of the veteran under (A) other provisions of law administered by the Veterans' Administration providing for the payment of compensation or pension, or (B) the Federal Employees' Compensation Act.

(c) If children of a deceased individual are receiving death compensation, and all such children have not applied for dependency and indemnity compensation, (1) dependency and indemnity compensation paid to each child who has applied therefor shall not exceed the amounts which would be paid if the application had been made by, or on behalf of, all such children, and (2) benefits paid under other provisions of law administered by the Veterans' Administration provid-

ing for the payment of compensation or pension, or under the Federal Employees' Compensation Act, to each child who has not so applied therefor shall not exceed the amounts which would be paid to [him] such child if no such application had been made.

(d) If there are two parents of a deceased individual eligible for benefits by reason of subsection (a), and an application for dependency and indemnity compensation is not made by both parents, (1) dependency and indemnity compensation paid to the parent who applies therefor shall not exceed the amounts which would be paid to [him] such parent if both parents had so applied, and (2) benefits paid under other provisions of law administered by the Veterans' Administration providing for the payment of compensation, or under the Federal Employees' Compensation Act, to the parent who has not so applied therefor shall not exceed the amounts which would be paid to [him] such parent if no such application had been made.

(e) (1) Except as provided in paragraphs (3) and (4), no person who, on January 1, 1957, was a principal or contingent beneficiary of any payments under the Servicemen's Indemnity Act of 1951 may receive any such payments based upon the death giving rise to such payments after [he] such person has been granted dependency and indemnity compensation based upon that death. No principal or contingent beneficiary who has assigned [his] such beneficiary's interest in payments under the Servicemen's Indemnity Act of 1951 after June 28, 1956, may receive any payments under this chapter based upon the death giving rise to such payments until the portion of the indemnity so assigned is no longer payable to any person.

(2) Where a beneficiary is barred from the receipt of payments under the Servicemen's Indemnity Act of 1951 by virtue of the first sentence of paragraph (1), no payments of the portion of indemnity in which such beneficiary had an interest shall be made to any other beneficiary.

(3) In the case of a child who has applied for dependency and indemnity compensation pursuant to this section or prior corresponding provisions of law, and who is or becomes a beneficiary under the Servicemen's Indemnity Act of 1951 by reason of the death giving rise to [his] such child's eligibility for dependency and indemnity compensation, the Administrator shall determine and pay to such child for each month, or part thereof, payments under this chapter or under such Act, whichever payment [he] the Administrator determines to be the greater amount.

(4) Notwithstanding paragraph (2), where a child receives dependency and indemnity compensation under this chapter, and thereafter dies, the portion of servicemen's indemnity in which such child had an interest may be paid (subject to paragraph (3)) to another child of the person by reason of whose death such servicemen's indemnity was payable.

Subchapter III—Certifications

§ 421. Certifications with respect to pay grade

The Secretary concerned shall, at the request of the Administrator, certify to [him] the Administrator the pay grade of deceased persons

with respect to whose deaths applications for benefits are filed under this chapter. The certification of the Secretary concerned shall be binding upon the Administrator.

§ 422. Certifications with respect to social security entitlement

(a) Determination required by section 412(a) of this title (other than a determination required by section 412(a)(2) of this title) as to whether any survivor described in section 412(a)(3) of this title of a deceased individual would be entitled to benefits under section 402 of title 42 for any month and as to the amount of the benefits which would be paid for such month, if the deceased veteran had been a fully and currently insured individual at the time of [his] such veteran's death, shall be made by the Secretary of Health, Education, and Welfare, and shall be certified by [him] such Secretary to the Administrator upon request of the Administrator.

(b) Upon the basis of estimates made by the Secretary of Health, Education, and Welfare after consultation with the Administrator, the Administrator shall pay to the Secretary an amount equal to the costs which will be incurred in making determinations and certifications under subsection (a). Such payments shall be made with respect to the costs incurred during such period (but not shorter than a calendar quarter) as the Secretary and the Administrator may prescribe. The amount payable for any period shall be increased or reduced to compensate for any underpayment or overpayment, as the case may be, of the costs incurred in any preceding period.

(c) Except with respect to determinations made under subsection (a) of this section, the Administrator shall prescribe such regulations as may be necessary to carry out the provisions of this section and section 412(a) of this title.

§ 423. Certifications by Administrator

Whenever the Administrator determines on the basis of a claim for benefits filed with [him] the Administrator that a death occurred under the circumstances referred to in section 1476(a) of title 10, or section 321(b) of title 32, [he] the Administrator shall certify that fact to the Secretary concerned. In all other cases, [he] the Administrator shall make the determination referred to in such section 1476(a) or 321(b) at the request of the Secretary concerned.

CHAPTER 21—SPECIALLY ADAPTED HOUSING FOR DISABLED VETERANS

§ 806. Mortgage Protection Life Insurance

(a) The Administrator is authorized, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), to purchase from one or more life insurance companies a policy or policies of mortgage protection life insurance on a group basis to provide the benefits specified in this section.

(b) Any policy of insurance purchased by the Administrator under this section shall be placed in effect on a date determined by the Administrator and shall automatically insure any eligible veteran who is

or has been granted assistance in securing a suitable housing unit under this chapter against the death of the veteran, unless the veteran elects in writing not to be insured under this section or fails to timely respond to a request from the Administrator for information on which his premium can be based.

(c) The initial amount of insurance provided hereunder shall not exceed the lesser of the following amounts: (1) ~~[\$30,000]~~ \$40,000 (2) the amount of the loan outstanding on such housing unit on the date insurance under this section is placed in effect, or (3) in the case of a veteran granted assistance in securing a housing unit on or after such date the amount of the original loan. The amount of such insurance shall be reduced according to the amortization schedule of the loan and at no time shall exceed the amount of the outstanding loan with interest. If there is no outstanding loan on the housing unit no insurance shall be payable hereunder. If any eligible veteran elects not to be insured under this section, he may thereafter be insured hereunder only upon application, payment of required premiums, and compliance with such health requirements and other terms and conditions as may be prescribed by the Administrator.

CHAPTER 23—BURIAL BENEFITS

Sec.

- 901. Flags.
- 902. Funeral expenses.
- 903. Death in Veterans' Administration facility; plot allowance.
- 904. Claims for reimbursement.
- 905. Persons eligible under prior law.
- 906. Headstones and markers.
- 907. Death from service-connected disability.
- 908. Transportation of deceased veterans to a national cemetery.

§ 907. Death from service-connected disability

In any case in which a veteran dies as the result of a service-connected disability or disabilities, the Administrator, upon the request of the survivors of such veteran, shall pay the burial and funeral expenses incurred in connection with the death of the veteran in an amount not exceeding the amount authorized to be paid under section 8134(a) of title 5 in the case of a Federal employee whose death occurs as the result of an injury sustained in the performance of duty. Funeral and burial benefits provided under this section shall be in lieu of any benefits authorized under sections 902 and 903 (a) (1) and (b) of this title.

§ 908. Transportation of deceased veterans to a national cemetery

Where a veteran dies as the result of a service-connected disability, or is in receipt of (but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, the Administrator may pay, in addition to any amount paid pursuant to section 902 or 907 of this title, the cost of transportation of the deceased veteran for burial in a national cemetery. Such payment shall

not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available.

PART III—READJUSTMENT AND RELATED BENEFITS

CHAPTER 39—AUTOMOBILES AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS AND MEMBERS OF THE ARMED FORCES

§ 1901. Definitions

For purposes of this chapter—

(1) The term "eligible person" means—

(A) any veteran entitled to compensation under chapter 11 of this title for any of the disabilities described in subclause (i), (ii), or (iii) below, if the disability is the result of an injury incurred or disease contracted in or aggravated by active military, naval, or air service ~~[during World War II or thereafter]~~ *on or after September 16, 1940;*

(i) The loss or permanent loss of use of one or both feet;

(ii) The loss or permanent loss of use of one or both hands;

(iii) The permanent impairment of vision of both eyes of the following status: central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than twenty degrees in the better eye; or

(B) any member of the Armed Forces serving on active duty who is suffering from any disability described in subclause (i), (ii), or (iii) of clause (A) of this paragraph if such disability is the result of an injury incurred or disease contracted in or aggravated by active military, naval, or air service ~~[during World War II or thereafter]~~ *on or after September 16, 1940.*

(2) The term "adaptive equipment" includes, but is not limited to, power steering, power brakes, power window lifts, power seats, and special equipment necessary to assist the eligible person into and out of the automobile or other conveyance. Such term also includes (A) air-conditioning equipment when such equipment is necessary to the health and safety of the veteran and to the safety of others, regardless of whether the automobile or other conveyance is to be operated by the eligible person or is to be operated for such person by another person; and (B) any modification of the size of the interior space of the automobile or other conveyance if needed because of the physical condition of such person in order for such person to enter or operate the vehicle.

**PART IV—GENERAL ADMINISTRATIVE
PROVISIONS**

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**CHAPTER 51—APPLICATIONS, EFFECTIVE DATES, AND
PAYMENTS**

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Subchapter II—Effective Dates

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§ 3012. Effective dates of reductions and discontinuances

(a) Except as otherwise specified in this section, the effective date of reduction or discontinuance of compensation, dependency and indemnity compensation, or pension shall be fixed in accordance with the facts found.

(b) The effective date of a reduction or discontinuance of compensation, dependency and indemnity compensation, or pension—

(1) by reason of marriage or remarriage, or death of a payee shall be the last day of the month before such marriage, remarriage, or death occurs;

(2) by reason of marriage, *annulment*, divorce, or death of a dependent of a payee shall be the last day of the calendar year in which such marriage, *annulment*, divorce, or death occurs;

(3) by reason of receipt of active service pay or retirement pay shall be the day before the date such pay began;

(4) by reason of change in income or corpus of estate shall be the last day of the calendar year in which the change occurred;

(5) by reason of a change in disability or employability of a veteran in receipt of pension shall be the last day of the month in which discontinuance of the award is approved;

(6) by reason of change in law or administrative issue, change in interpretation of a law or administrative issue, or, for compensation purposes, a change in service-connected or employability status or change in physical condition shall be the last day of the month following sixty days from the date of notice to the payee (at his last address of record) of the reduction or discontinuance;

(7) by reason of the discontinuance of school attendance or a payee or a dependent of a payee shall be the last day of the month in which such discontinuance occurred;

(8) by reason of termination of a temporary increase in compensation for hospitalization or treatment shall be the last day of the month in which the hospital discharge or termination of treatment occurred, whichever is earlier;

(9) by reason of an erroneous award based on an act of commission or omission by the beneficiary, or with **[his]** *the beneficiary's* knowledge, shall be the effective date of the award; and

(10) by reason of an erroneous award based solely on administrative error or error in judgment shall be the date of last payment.

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Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1976".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "\$35" and inserting in lieu thereof "\$38";

(2) by striking out in subsection (b) "\$65" and inserting in lieu thereof "\$70";

(3) by striking out in subsection (c) "\$98" and inserting in lieu thereof "\$106";

(4) by striking out in subsection (d) "\$134" and inserting in lieu thereof "\$145";

(5) by striking out in subsection (e) "\$188" and inserting in lieu thereof "\$203";

(6) by striking out in subsection (f) "\$236" and inserting in lieu thereof "\$255";

(7) by striking out in subsection (g) "\$280" and inserting in lieu thereof "\$302";

(8) by striking out in subsection (h) "\$324" and inserting in lieu thereof "\$350";

(9) by striking out in subsection (i) "\$364" and inserting in lieu thereof "\$393";

(10) by striking out in subsection (j) "\$655" and inserting in lieu thereof "\$707";

(11) by striking out in subsection (k) "\$52" and "\$814" and "\$1,139" each time they appear and inserting in lieu thereof "\$56" and "\$879" and "\$1,231", respectively;

(12) by striking out in subsection (l) "\$814" and inserting in lieu thereof "\$879";

(13) by striking out in subsection (m) "\$896" and inserting in lieu thereof "\$968";

(14) by striking out in subsection (n) "\$1,018" and inserting in lieu thereof "\$1,099";

(15) by striking out in subsection (o) and (p) "\$1,139" each time it appears and inserting in lieu thereof "\$1,231";

(16) by striking out in subsection (r) "\$489" and inserting in lieu thereof "\$528"; and

(17) by striking out in subsection (s) "\$732" and inserting in lieu thereof "\$791".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

H. R. 14299—2

SEC. 102. Section 315(1) of title 38, United States Code, as amended—

(1) by striking out in subparagraph (A) “\$40” and inserting in lieu thereof “\$43”;

(2) by striking out in subparagraph (B) “\$67” and inserting in lieu thereof “\$72”;

(3) by striking out in subparagraph (C) “\$85” and inserting in lieu thereof “\$92”;

(4) by striking out in subparagraph (D) “\$105” and “\$19” and inserting in lieu thereof “\$113” and “\$21”, respectively;

(5) by striking out in subparagraph (E) “\$26” and inserting in lieu thereof “\$28”;

(6) by striking out in subparagraph (F) “\$45” and inserting in lieu thereof “\$49”;

(7) by striking out in subparagraph (G) “\$67” and “\$19” and inserting in lieu thereof “\$72” and “\$21”, respectively;

(8) by striking out in subparagraph (H) “\$32” and inserting in lieu thereof “\$35” and by striking out in such subparagraph after the semicolon “and”;

(9) by striking out in subparagraph (I) “\$61” and inserting in lieu thereof “\$66”; and

(10) by redesignating subparagraph (I) as subparagraph (J) and inserting the new subparagraph (I) as follows:

“(I) notwithstanding the other provisions of this subsection, the monthly payable amount on account of a spouse who is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be \$78 for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this subsection; and”.

TITLE II—SURVIVORS, DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

“§ 411. Dependency and indemnity compensation to a surviving spouse

“(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

Pay grade	Monthly rate	Pay grade	Monthly rate
E-1	\$260	W-4	\$372
E-2	268	O-1	328
E-3	275	O-2	340
E-4	292	O-3	364
E-5	300	O-4	384
E-6	307	O-5	423
E-7	322	O-6	476
E-8	340	O-7	516
E-9	¹ 355	O-8	565
W-1	328	O-9	607
W-2	341	O-10	² 664
W-3	352		

¹ If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be \$382.

² If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be \$712.

“(b) If there is a surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increased by \$31 for each such child.

“(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by \$78 if the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.”

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

“Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

“(1) one child, \$131;

“(2) two children, \$189;

“(3) three children, \$243; and

“(4) more than three children, \$243, plus \$49 for each child in excess of three.”

SEC. 203. Section 414 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) “\$72” and inserting in lieu thereof “\$78”;

(2) by striking out in subsection (b) “\$121” and inserting in lieu thereof “\$131”; and

(3) by striking out in subsection (c) “\$62” and inserting in lieu thereof “\$67”.

SEC. 204. (a) The Administrator shall carry out a thorough and detailed study of the dependency and indemnity compensation program authorized under chapter 13 of this title and of its beneficiaries to measure and evaluate the adequacy of benefits provided under this program and to determine whether, or to what extent, benefits should be based on the military pay grade of the person upon whose death entitlement is predicated.

(b) The report of such study shall include such full statistical data as may be obtained concerning surviving spouses and dependents in receipt of dependency and indemnity compensation other than under section 415 of title 38, United States Code, and in each instance the data shall include a breakdown of the distribution of the surviving spouses and dependents amongst the pay grade levels set forth in section 411(a) of title 38, United States Code. Data concerning such surviving spouses and dependents shall include (1) full statistical information concerning the number and ages of surviving spouses and dependents, the number of surviving spouses that remarry, the number of surviving spouses with dependents, and the number of surviving spouses in receipt of aid and attendance; (2) full statistical information concerning the number of surviving spouses and the number of dependents in receipt of old-age, survivors, and disability insurance (OASDI) cash benefits and the amount and type thereof, the number of surviving spouses and the number of dependents in receipt of other Federal or State assistance and the amount and type thereof, the number of surviving spouses in receipt of State survivor benefits and the amount and type thereof to include a breakdown by State, and the number of surviving spouses who work and their earnings therefrom; (3) full statistical information concerning the educational attainment of the survivor's deceased spouse; and (4) full statistical information concerning those surviving spouses whose veteran spouse was in receipt

of disability compensation pursuant to chapter 11 of title 38, prior to death and the rating of disability thereof.

(c) The report together with such comments and recommendations by the Administrator for improving the program as are appropriate shall be submitted to the Congress and the President not later than October 1, 1977.

TITLE III—OTHER DISABLED VETERANS PROGRAM IMPROVEMENTS

SEC. 301. Section 362 of title 38, United States Code, is amended by striking out “\$175” and inserting in lieu thereof “\$190”.

SEC. 302. Section 806 of title 38, United States Code, is amended by striking out in subsection (c) “\$30,000,” and inserting in lieu thereof “\$40,000.”

SEC. 303. Section 1901 of title 38, United States Code, is amended—

(1) by striking out in paragraph (1) before the colon at the end of clause (A) “during World War II or thereafter” and inserting in lieu thereof “on or after September 16, 1940”; and

(2) by striking out in paragraph (1) before the period at the end of clause (B) “during World War II or thereafter” and inserting in lieu thereof “on or after September 16, 1940”.

SEC. 304. (a) Chapter 23 of title 38, United States Code, is amended by adding at the end thereof the following new section:

“§ 908. Transportation of deceased veteran to a national cemetery

“Where a veteran dies as the result of a service-connected disability, or is in receipt of (but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, the Administrator may pay, in addition to any amount paid pursuant to section 902 or 907 of this title, the cost of transportation of the deceased veteran for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran’s last place of residence in which burial space is available.”

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

“908. Transportation of deceased veterans to a national cemetery.”

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS AND EFFECTIVE DATE PROVISIONS

SEC. 401. Chapter 11 of title 38, United States Code, is amended—

(1) by striking out in the table of sections at the beginning of such chapter 11

“356. Minimum rating for arrested tuberculosis.”;

(2) by striking out in paragraph (3) of section 301 “Leprosy” and inserting in lieu thereof “Hansen’s disease”;

(3) by striking out in paragraph (4) of section 301 “Leprosy”, and by inserting in paragraph (4) of such section “Hansen’s disease” between “Filiariasis” and “Leishmaniasis, including kala-azar”;

(4) by striking out in clause (o) of section 314 “in combination with total blindness with 5/200 visual acuity or less.”; and

(5) by striking out in clause (r) of section 314 “3203(f)” and inserting in lieu thereof “3203(e)”.

SEC. 402. Section 3012(b) of title 38, United States Code, is amended—

- (1) by inserting in clause (2) “annulment,” immediately before “divorce” each time it appears; and
- (2) by striking out in clause (9) “his” and inserting in lieu thereof “the beneficiary’s”.

SEC. 403. (a) The Administrator of Veterans’ Affairs shall conduct a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such relationship; and (2) an analysis of statistically valid samples of disability claims of veterans having service-connected extremity amputation matched by age, sex and war period with nonamputee veterans.

(c) The report, together with such comments and recommendations as the Administrator deems appropriate, shall be submitted to the Speaker of the House and the President of the Senate not later than June 30, 1977.

SEC. 404. Chapter 11 of title 38, United States Code, is further amended—

- (1) by striking out in clauses (A) and (B) of section 301(2) “him” and inserting in lieu thereof “such veteran”;
- (2) by striking out in section 302(a) “widow of a veteran under this chapter unless she was married to him” and inserting in lieu thereof “surviving spouse of a veteran under this chapter unless such surviving spouse was married to such veteran”;
- (3) by striking out in section 302(b) “widow” each time it appears and inserting in lieu thereof “surviving spouse”;
- (4) by striking out in the catchline of section 302 “widows” and inserting in lieu thereof “surviving spouses”;
- (5) by striking out in the table of sections at the beginning of such chapter 11.

“302. Special provisions relating to widows.”
and inserting in lieu thereof

“302. Special provisions relating to surviving spouses.”;

- (6) by striking out in clauses (m) and (o) of section 314 “him” and inserting in lieu thereof “such veteran”;
- (7) by striking out in section 314(p) “, in his discretion”;
- (8) by striking out in clauses (r) and (s) of section 314 “he” and “his” each time they appear and inserting in lieu thereof “such veteran” and “such veteran’s”, respectively;
- (9) by striking out in clauses (A), (B), (C), (D), (E), (F), and (G) of section 315(1) “wife” each time it appears and inserting in lieu thereof “spouse”;
- (10) by striking out in section 315(1)(H) “mother or father, either or both dependent upon him” and inserting in lieu thereof “parent dependent upon such veteran”;
- (11) by striking out in section 315(2) “his”;
- (12) by striking out in section 321 “widow” and inserting in lieu thereof “spouse”;
- (13) by striking out in paragraphs (1) and (2) of section 322(a) “Widow” and inserting in lieu thereof “Surviving spouse”;
- (14) by striking out in paragraphs (3), (4), and (5) of section 322(a) “widow” and inserting in lieu thereof “surviving spouse”;
- (15) by striking out in section 322(a)(6) “mother or father” and inserting in lieu thereof “parent”;

(16) by striking out in section 322(a) (7) "Dependent mother and father" and inserting in lieu thereof "Both dependent parents";

(17) by striking out in section 322(b) "widow" and inserting in lieu thereof "surviving spouse";

(18) by striking out in section 341 "widow" and inserting in lieu thereof "spouse";

(19) by striking out in section 351 "him", and by striking out in such section "his" and inserting in lieu thereof "such veteran's";

(20) by striking out in section 354(a) "his" and "he" each time they appear and inserting in lieu thereof "such veteran's" and "such veteran", respectively;

(21) by striking out in section 358 "in his discretion", and by striking out in such section "his wife" and "a wife" and inserting in lieu thereof "such veteran's spouse" and "such spouse", respectively;

(22) by striking out in section 360 "his" each time it appears and inserting in lieu thereof "such veteran's";

(23) by striking out in section 361 "his" and inserting in lieu thereof "such former member's"; and

(24) by striking out in section 362 "he" and inserting in lieu thereof "the Administrator".

Sec. 405. Chapter 13 of title 38, United States Code, is amended—

(1) by striking out in subsections (a) and (b) of section 402 "his" and "he" each time they appear and inserting in lieu thereof "such veteran's" and "such veteran", respectively;

(2) by striking out in subsections (c) and (d) of section 402 "he" and "his widow" and inserting in lieu thereof "such veteran" and "such veteran's surviving spouse", respectively;

(3) by striking out in section 402(e) "his" and "he" each time they appear and inserting in lieu thereof "such person's" and "such person", respectively;

(4) by striking out in section 404 "widow", "she", and "him", and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(5) by striking out in the catchline of section 404 "widows" and inserting in lieu thereof "surviving spouses";

(6) by striking out in the table of sections at the beginning of such chapter 13

"404. Special provisions relating to widows."

and inserting in lieu thereof

"404. Special provisions relating to surviving spouses.";

(7) by striking out in subsections (a) and (b) of section 410 "his widow", "widow", "he", and "his" and inserting in lieu thereof "such veteran's surviving spouse", "surviving spouse", "such veteran", and "such veteran's", respectively;

(8) by striking out in the table of sections at the beginning of such chapter 13

"411. Dependency and indemnity compensation to a widow."

and inserting in lieu thereof

"411. Dependency and indemnity compensation to a surviving spouse.";

(9) by striking out in subsections (a) and (b) of section 412 "his", "he", and "widow" each time they appear and inserting in lieu thereof "such veteran's", "such veteran", and "surviving spouse", respectively;

(10) by striking out in subsections (a), (b), and (c) of section 414 "him", "woman", "widow", and "her deceased husband" each time they appear and inserting in lieu thereof "such child", "person", "surviving spouse", and "such person's deceased spouse", respectively;

(11) by striking out in paragraphs (1) and (2) of section 416(a) "widow" and "his" and inserting in lieu thereof "surviving spouse" and "such person's", respectively;

(12) by striking out in section 416(b)(1) "widow" and "her" and inserting in lieu thereof "surviving spouse" and "such surviving spouse", respectively;

(13) by striking out in section 416(c) "him" and inserting in lieu thereof "such child";

(14) by striking out in section 416(d) "him" each time it appears and inserting in lieu thereof "such parent";

(15) by striking out in section 416(e)(1) "he" and "his" and inserting in lieu thereof "such person" and "such beneficiary's", respectively;

(16) by striking out in section 416(e)(3) "his" and "he" and inserting in lieu thereof "such child's" and "the Administrator", respectively;

(17) by striking out in section 421 "him" and inserting in lieu thereof "the Administrator";

(18) by striking out in section 422(a) "his" and "him" and inserting in lieu thereof "such veteran's" and "such Secretary", respectively; and

(19) by striking out in section 423 "him" and "he" each time they appear and inserting in lieu thereof "the Administrator".

SEC. 406. The provisions of this Act shall become effective on October 1, 1976.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

H.R. 14299 - VETERANS DISABILITY COMPENSATION
AND SURVIVOR BENEFITS ACT OF 1976

H.R. 14299 alters existing veterans disability compensation survivor, dependency, and indemnity benefits effective October 1, 1976 by:

- Increasing monthly pension benefit rates by 8 percent, which will affect 2.2 million veterans with disabilities ranging from 10 percent to 100 percent. The last compensation rate increase was on August 1, 1975.
- Increasing by 8 percent the monthly benefits payable to surviving spouses and children of veterans whose deaths were service connected. The last compensation rate increase was effective August 1, 1975.
- Increasing (from \$175 to \$190) the annual clothing allowance to certain veterans wearing or using a prosthetic or orthopedic appliance.
- Increasing the maximum mortgage protection life insurance limit for veterans receiving grants for specially adapted housing from \$30,000 to \$40,000.

The Veterans Administration estimates that H.R. 14299 would cost approximately \$400 million in fiscal year 1977, exclusive of the cost of the new special allowance for a spouse in need of aid and attendance, which the Veterans Administration is unable to estimate.

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FOR IMMEDIATE RELEASE

SEPTEMBER 30, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON SIGNING H.R. 14298
THE VETERANS AND SURVIVORS PENSION
ADJUSTMENT ACT OF 1976
AND
H.R. 14299, VETERANS DISABILITY COMPENSATION
AND SURVIVOR BENEFITS ACT OF 1976

THE EAST ROOM

12:21 P.M. EDT

Distinguished Members of the Congress,
representatives of the various veterans organizations,
ladies and gentlemen:

I really enjoy the opportunity to have you down here for this very auspicious occasion. When I finish my remarks, I will sign the two bills that are before me, and I am very pleased to have the opportunity to sign both bills, which will protect pensions and increase disability payments for some five million veterans and their survivors.

The bills will insure that the benefits which these veterans have earned for themselves and their families will keep pace with the cost of living. These bills represent another step in our continuing effort to fulfill the words spoken more than a century ago, and I quote: "To care for him who shall have borne the battle and for his widow and for his orphan."

In December 1975 I signed a bill providing a temporary cost of living increase in veterans' pensions for the first nine months of this year. One of the bills I am signing today will make this increase permanent. It will protect more than two and a quarter million veterans and their families from having their pension payments reduced next week. In addition, it will provide a 7 percent cost of living increase in pension benefits for the first of next year.

The second bill that will be signed will raise by 8 percent disability payments for more than two million service disabled veterans. It will also increase some other special benefit payments.

MORE

As Commander-in-Chief and as a citizen, I salute our veterans organizations, which played such an important role in developing this legislation. They are doing a first-rate job of representing the legitimate interests of veterans and their families.

Our Veterans Administration is also playing its part in making life better for our veterans in this country.

Under the leadership of my good friend Dick Roudebush, it has made tremendous strides forward. We are going to make sure that this progress continues. For medical needs in particular, my budgets for fiscal years 1976 and 1977 have provided more funding, more personnel and better facilities to give eligible veterans the highest quality, fastest service possible.

I have requested funds to construct two new VA hospitals and the funds to design six more, which will be built as readily as possible.

The Administration is committed to doing right by the American veteran. They served their country well in time of war. It is only right we serve them well in times of peace.

The Administration is also committed to continuing the fight against inflation. The threat it poses to Americans living on fixed pensions and benefits, such as veterans and the elderly, cannot be tolerated.

While adjusting Social Security and veterans benefits for the cost of living, we will continue to do everything we can to remove the underlying causes of inflation. In the long run, that is the only way to insure the economic security of all Americans.

Now it is my pleasure to sign H.R. 14298 and to commend the Members of Congress, particularly the two veterans committees, and all Members, for enacting this legislation which, as I said, is a way of our expressing to all of them, the veterans of America, the great respect and admiration that we have for all of them.

Thank you very much.

END

(AT 12:26 P.M. EDT)

FOR IMMEDIATE RELEASE

September 30, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am pleased to sign into law H.R. 14298 and H.R. 14299 bills which will provide cost-of-living increases in pension and compensation payments for approximately 5 million veterans and their survivors. These increases will become effective this Friday, October 1, 1976.

Last December 1975, I signed a bill that provided a temporary cost-of-living increase in veterans pensions for the first nine months of this year. One of the bills I am signing today, H.R. 14298, would make that increase permanent and thus prevent more than 2-1/4 million veterans and their families from having their pension payments reduced next week. This bill, in addition, will provide a 7% cost-of-living increase in pension benefits beginning January 1, 1977.

The second bill I am signing, H.R. 14299, will raise compensation benefits for service-disabled veterans and their survivors by 8% on October 1, 1976, and will increase a number of other special benefit payments based on service-connected disability.

Federal benefit payments to veterans and their survivors have been regularly adjusted over the years to reflect changing economic conditions. The enactment of these bills into law provides continuing recognition of our commitment to assure that the benefits to which veterans and their families are entitled keep pace with the cost of living.

Our Nation's veterans served well when their country called, and we have a duty in return to provide adequately for their disability and retirement needs. I believe these bills are positive steps toward meeting those needs of the men and women who have served in our Armed Forces.

I am pleased to sign both bills into law.

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