

**The original documents are located in Box 59, folder “1976/10/02 HR11722 Deprivation of Employment on Account of Political Contribution” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Exact duplicates within this folder were not digitized.

**APPROVED**

SEP 30 1976

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

THE WHITE HOUSE

ACTION

WASHINGTON

September 30, 1976

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *HJD*

SUBJECT:

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 *HJD* 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. 14298 - Veterans and Survivors  
Pension Adjustment 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 benefits payments for October 1976 as explained below.

Purpose

Provides cost-of-living increases and raises the income limitations in the veterans pension and dependent parents indemnity and compensation (DIC) programs; provides special benefit increases for veterans attaining age 78; requires pension reform feasibility study.

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
Veterans Administration	Approval (Signing statement attached)
Department of Health, Education, and Welfare	Defers to VA (informal)
Department of Justice	Defers to VA (informal)

Discussion

Benefits paid under the veterans pension program and the DIC program for needy dependent parents of veterans who die as a result of service-connected disabilities were last increased, by 8%, on January 1, 1976 (P.L. 94-169). In an unusual move--stemming from disagreement between the House and Senate Veterans Affairs Committees on the issue of pension reform--the Congress made that increase effective only for a temporary 9-month period expiring on September 30, 1976.

H.R. 14298 would extend the January 1, 1976, benefit increases, provide a further 7% increase to be effective January 1, 1977, and make certain other changes in the pension and parents DIC programs. As a compromise between the two committees, the bill calls for a study of the pension program to determine whether reform is either necessary or feasible.

H.R. 14298 was approved by a 354-0 vote in the House and by voice vote in the Senate.

Cost-of-living and maximum income limitation increases. The proposed 7% increase in pension benefits compares with a 5% increase in the Consumer Price Index (CPI) currently projected for calendar year 1976. The increase would affect approximately 2.3 million veterans and their dependents and survivors. The bill would also increase the maximum income limits used in determining eligibility for benefits.

The 1977 budget did not request any increase in rates beyond those affected by the interim increase on January 1, 1976. Subsequently the Administration agreed to accept an increase in rates (but not increases in maximum income limits) commensurate with the actual change in the cost of living for calendar year 1976.

The Administration has consistently opposed the Congressional practice of raising income limits for pension eligibility each time a benefit rate is increased because it is inconsistent with the objective of providing monetary aid to those individuals with the greatest need.

Special benefits for aged veterans. H.R. 14298 would provide for a new aged veterans benefit by increasing the rate of a veteran's pension by 25% when the veteran attains the age of 78. According to Congressional proponents, this provision would have the effect of providing an additional monthly allowance to virtually all World War I veterans. These veterans have urged Congress for many years to provide them with additional pension benefits. VA opposed this provision on the grounds that it would be inconsistent with the basis of the pension program--that benefit payments should only be provided where need can be demonstrated.

Disclosure of information. H.R. 14298 contains a provision that would require the head of any Federal department or agency to provide information to VA to be used in determining eligibility for pension benefits. Although the provision apparently is intended to authorize VA specifically to obtain information relating to an individual's disability or receipt of income from welfare, social security or other similar programs bearing on the question of entitlement to VA pension, the provision is broad enough to permit VA to obtain any data available in the files of Federal agencies on any person. We would have preferred a much more narrowly drawn provision. However, we have been informally advised

by the Department of Justice that the provision does not violate the Privacy Act, and we intend to work with VA to insure that the authority is used judiciously. Moreover, if serious implementation problems arise, we can seek remedial legislation.

Cost. VA estimates that enactment of H.R. 14298 would cost approximately \$432 million for fiscal year 1977. As noted above, the 1977 budget did not specifically provide for any of this amount. The official July 15, 1976 update of the budget included \$281 million for pension increases, based on the assumption that the cost of living would increase by 5%. The rate increase contained in H.R. 14298 would cost an additional \$151 million. We anticipate that VA will seek a supplemental budget request for 1977 to cover the additional costs.

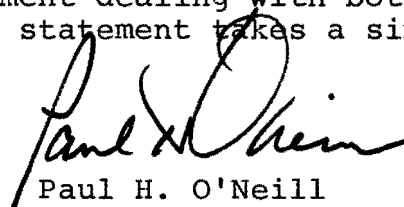
#### Recommendation

VA recommends approval of H.R. 14298 on the grounds that the cost-of-living increase is not excessive. VA further recommends that the bill be signed on or before September 28 in order to permit timely delivery of benefit checks for the month of October 1976. VA points out that failure to meet this deadline would result in 2-1/4 million beneficiaries temporarily losing some benefits and significant administrative cost in adjusting all benefits later.

\* \* \* \* \*

As noted above, there are several features of H.R. 14298 that are not desirable--the increase in benefit rates in excess of the change in the CPI, the added pensions granted on the basis of age, and the provision for disclosure of information. Nevertheless, 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 compensation benefit rates, H.R. 14299, 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

## 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.

THE WHITE HOUSE

WASHINGTON

September 29, 1976

SIGNING CEREMONY

H.R. 14298 - VETERANS AND SURVIVORS PENSION ADJUSTMENT  
ACT OF 1976

H.R. 14299 - VETERANS DISABILITY COMPENSATION AND  
SURVIVORS BENEFITS ACT OF 1976

THURSDAY, SEPTEMBER 30, 1976

12 NOON

THE EAST GARDEN

FROM: JAMES M. CANNON *J.M. Cannon*

I. PURPOSE

To sign enrolled bills H.R. 14298 and H.R. 14299, which provide benefit increases to veterans, dependents and survivors who receive pensions or disability compensation as well as other changes in the Veterans Compensation and Pension Laws.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: You will sign enrolled bill H.R. 14298, which on January 1, 1977, increases by seven percent the benefits of approximately 2.3 million veterans and their dependents and survivors receiving veterans pensions. The last increase in benefits was on January 1, 1976. The consumer price index is expected to rise approximately five percent between the date of the last increase and the date this increase will become effective.

You will sign enrolled bill H. 14299, which on October 1, 1976, increases 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. The last increase in benefits was on August 1, 1975. The consumer price index is expected to rise 6.4 percent between the date of the last increase and the date this increase will become effective.

B. Participants: (Complete List at Tab A)

C. Press Plan: Full press, photo opportunity.



NATIONAL ARCHIVES AND RECORDS SERVICE  
WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
List	Lists of participants at signing ceremony, 11 pgs. Redacted copy available	N.D.	C

FILE LOCATION

White House Records Office: Legislation Case Files  
Box 1, "9/30/1976 H.R. 14298"

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

40 7/31/14

THE FOLLOWING PERSONS WILL BE ATTENDING THE BILL SIGNING CEREMONY, SEPTEMBER 30th, 1976 at 12:00 Noon IN THE ROSE GARDEN. PRESIDENTIAL PARTICIPATION.

ALLEN, Col. Merle  
NGA

[REDACTED]  
30 Oct 1920  
Pittsfield, Il.

ANDERSON, A. Leo  
OVA

[REDACTED]  
23 Jan 1919  
Chelsea, Mass.

AVALOS, Richard C.  
Am. G.I. Forum

[REDACTED]  
4 Jul 1944  
Rankon, TX.

AYRES, William H.  
PFC

[REDACTED]  
5 Feb 1916

BARCELO, Jr., Cosme Juan  
Am. G.I. Forum

[REDACTED]  
20 Dec 1946  
Tuscon, Az.

BARNSON, Capt. William  
ROA

[REDACTED]  
29 Mar 1939  
San Diego, CA.

BELL, Captain John  
NRA

[REDACTED]  
5 May 1924  
Sioux Falls, D.C.

CARIES, Jerreries  
NACV

[REDACTED]  
18 May 1931  
Baltimore, Md.

CASSELL, SMaj. Elbert L.  
NAUS

[REDACTED]  
1 Sept. 23 Roanoke, Va.

CHURCH, Dr. Lloyd E.  
MOWW

[REDACTED]  
25 Sept 1919  
Littleton, W.VA.

COBLE, Donald W.  
AFSA

[REDACTED]  
7 April 1925  
Spokane, WA.

COCHRAN, Capt. Mary Ann  
USAF

[REDACTED]  
24 Jul 1945  
Kansas City, Ka.

COGAN, Charles G.  
AFSA

[REDACTED]  
6 Jan 1919  
Chicago, Il.

CONATY, Col. Frances S.  
AUSA

[REDACTED]  
15 May 1920  
Rockford, Il.

CONNERS, Albert J.  
AFSA

[REDACTED]  
23 Jan 1930  
Baltimore, Md.

CORR, Rev. Laughton

[REDACTED]  
25 Oct 1932  
Richmond, Va.

CORR, Mrs. Laughton (Ruby)

[REDACTED]  
1 Jun 1934  
Gaston County, N.C.

COWAN, Richard  
AFSA

[REDACTED]  
19 Jan 1915  
Bloomfield, N.J.

BACHNER, JOEL E.  
National President  
Pearl Harbor Survivors Assoc.

[REDACTED]  
January 9, 1918  
New York City

BACHNER, MURIEL  
(Mrs. Joel E.)

[REDACTED]  
January 3, 1920  
New York, NY

BENNETT, V. BRUCE  
National Commander  
Veterans of WWI of USA

[REDACTED]  
July 27, 1899  
Ewart, Michigan

BOCHICCHIO, ANTHONY J.  
Deputy Chief  
Veterans Administration

[REDACTED]  
May 23, 1912

BURKE, KATHLEEN  
AAMVPA

[REDACTED]  
10/28/45  
Buffalo, NY

CHERNIKOFF, HARRY  
Jewish War Veterans

[REDACTED]  
5/29/28  
Washington, D. C.

CICHY, ROSE  
AMVETS

[REDACTED]  
March 20, 1952

CODY, STUART J.  
Director, Special Service Project  
DAV

[REDACTED]  
9/11/16  
Whitesville, NY

COHEN, ROBERT A.  
Fleet Reserve Association

[REDACTED]  
January 31, 1930  
Lynn, Massachusetts

CODY, PAUL P. (Col)  
AMVETS

[REDACTED]  
June 29, 1917  
New York, NY

COPE, BEULAH M.  
United Spanish War Veterans

[REDACTED]  
March 13, 1901  
Freeport, IL

CRIMP, ROBERT  
World War I Veterans

[REDACTED]  
March 7, 1900  
Paterson, NJ

CRIMP, RUBY D.  
(Mrs. Robert Crimp)

[REDACTED]  
March 26, 1924  
Pennington City, Minnesota

DETTINGER, GARTH B. (BGEN)  
AF Surgeon Generals Assoc.

[REDACTED]  
December 23, 1921  
Syracuse, NY

DOUGHTIE, JAMES (Maj)  
Legion of Valor

[REDACTED]  
January 14, 1915  
Kolford, NC

DRACH, RONALD W.  
DAV

[REDACTED]  
11/11/44  
Pittsburgh, PA

EDMONDS, EDMUND W. (Col)

[REDACTED]  
July 10, 1924  
Cincinnati, Ohio

ELLIS, EDWARD  
Vice Pres./DOCA

[REDACTED]  
March 2, 1922  
Eclectic, AL

ELSEY, GEORGE M.  
President/American Nat'l  
Red Cross

[REDACTED]  
February 5, 1918  
Palo Alto, CA

GARDNER, WILLIAM G.  
National Director, Legislation  
DAV  
[REDACTED]

10/21/19  
Vicksburg, Michigan

GARMAN, RICKIE  
DAV  
[REDACTED]

7/10/51  
Decatur, Illinois

GAYNOR, ROBERT M. (BGEN)  
National Adjutant  
Legion of Valor  
[REDACTED]

August 10, 1911  
Scranton, PA

GEARHART, WILLIAM E.  
Deputy Nat'l Service Dir.  
DAV  
[REDACTED]

1/25/24  
Allentown, PA

GOLICK, RICHARD P.  
Adjutant General  
Military Order of the  
Purple Heart  
[REDACTED]

November 15, 1917  
Sheboygan, Wisconsin

GRAY, JOHN O.  
Air Force Association  
[REDACTED]

3/20/17  
Boston, Massachusetts

GREGORY, EASTWOOD W.  
Board of Directors  
Army Warrant Officers Assoc.  
[REDACTED]

11/2/38  
Smithfield, NC

GROW, ROBERT (MGEN)  
Asst. Chief of Staff  
Legion of Valor  
[REDACTED]

February 14, 1895  
Sibley, Iowa

GROSB, H. DALL  
Assistant Deputy  
Veterans Administration

GUTTENPLAN, MITCHEL  
Jewish War Veterans  
[REDACTED]

4/28/28  
New York, NY

HARDMAN, LAMARTINE GRIFFIN JR.  
President/DOCA  
[REDACTED]

July 5, 1908  
Commerce, GA

HARTNETT, NORMAN B.  
National Service Director  
DAV  
[REDACTED]

4/30/23  
Boston, Massachusetts

HEILMAN, JOHN F.  
DAV  
[REDACTED]

4/15/39  
Lebanon, PA

HENRY, WINSTON E.  
American Red Cross  
[REDACTED]

June 25, 1917  
Ruble, MO

HESS, DONALD E.  
Army Warrant Officers Assoc.  
[REDACTED]

June 7, 1932  
Nantyglow, PA

HINERMAN, JOSEPH W. II  
[REDACTED]

4/19/49  
Raleigh, NC

HOLLAND, LEONARD (MGEN)  
Adjutant Generals Assoc.  
[REDACTED]

4/9/16  
Pawtucket, RI

National Director, Legislation  
DAV

10/21/19  
Vicksburg, Michigan

GARMAN, RICKIE  
DAV

7/10/51  
Decatur, Illinois

GAYNOR, ROBERT M. (BGEN)  
National Adjutant  
Legion of Valor

August 10, 1911  
Scranton, PA

GEARHART, WILLIAM E.  
Deputy Nat'l Service Dir.  
DAV

1/25/24  
Allentown, PA

GOLICK, RICHARD P.  
Adjutant General  
Military Order of the  
Purple Heart

November 15, 1917  
Sheboygan, Wisconsin

GRAY, JOHN O.  
Air Force Association

3/20/17  
Boston, Massachusetts

GREGORY, EASTWOOD W.  
Board of Directors  
Army Warrant Officers Assoc.

11/2/38  
Smithfield, NC

GROW, ROBERT (MGEN)  
Asst. Chief of Staff  
Legion of Valor

February 14, 1895  
Sibley, Iowa

Assistant Deputy  
Veterans Administration

GUTTENPLAN, MITCHEL  
Jewish War Veterans

4/28/28  
New York, NY

HARDMAN, LAMARTINE GRIFFIN JR.  
President/DOCA

July 5, 1908  
Commerce, GA

HARTNETT, NORMAN B.  
National Service Director  
DAV

4/30/23  
Boston, Massachusetts

HEILMAN, JOHN F.  
DAV

4/15/39  
Lebanon, PA

HENRY, WINSTON E.  
American Red Cross

June 25, 1917  
Ruble, MO

HESS, DONALD E.  
Army Warrant Officers Assoc.

June 7, 1932  
Nantyglow, PA

HINERMAN, JOSEPH W. II

4/19/49  
Raleigh, NC

HOLLAND, LEONARD (MGEN)  
Adjutant Generals Assoc.

4/9/16  
Pawtucket, RI

HOLMGAARD, EVALD  
Navy League of U.S.

[REDACTED]  
July 12, 1924  
Brooklyn, NY

HOLMGAARD, PATRICIA ANN  
Navy League of U.S.

[REDACTED]  
September 6, 1939  
Washington, D. C.

HOLT, COOPER T.  
Exec. Director  
Veterans of Foreign  
Wars of U.S.

[REDACTED]  
August 3, 1924  
Chattanooga, TN

HURAY, FRANK T.  
Deputy Adjutant General  
MOPH

[REDACTED]  
February 5, 1921  
Olyphant, PA

JOECKEL, CHARLES E. JR.  
DAV

[REDACTED]  
8/13/47  
Cheverly, MD

JUSTUS, KARL B. (Dr)  
Military Chaplains Assoc.

[REDACTED]  
June 3, 1912  
Clinton, Iowa

KEHRER, DARRYL  
AAMVPA

[REDACTED]  
2/22/47  
Williamsport, PA

KENDALL, DONALD  
Administrative Assistant  
Veterans Administration

KOBRINETZ, SIMEON (LtCol)  
Military Chaplains Assn of USA

[REDACTED]  
November 21, 1927  
New York City, NY

KRIEGER, CHARLES B.  
Jewish War Veterans

[REDACTED]  
7/14/11  
New York City, NY

LAWSON, WILLIAM E.  
AAMVPA

[REDACTED]  
2/6/44  
Gadsden, AL

LEACH, JAMES H. (Col)  
Legion of Valor

[REDACTED]  
April 7, 1922  
Houston, TX

KRAJA, MYLIO S.  
American Legion

[REDACTED]  
July 24, 1920  
Youngstown, OH

LORD, EDWARD J.  
American Legion

[REDACTED]  
March 19, 1944

LYNCH, GEORGE C. (BGEN)  
American Society Mil. Compt.

[REDACTED]  
July 30, 1930  
Fairbanks, Alaska

MALLEY, ARLENE F.  
AMVETS

[REDACTED]  
10/20/55  
Staten Island, NY

MARLIN, HOWARD D.  
American Red Cross

[REDACTED]  
January 29, 1912  
Fayette, Missouri

MARLOW, THORNE  
Veterans of Foreign Wars of US

[REDACTED]  
November 17, 1930  
Minola, NY

(Mrs. Martin)  
Treasurer General/DAR

October 27, 1909  
Richmond, VA

MATTINGLY, CHARLES E.  
American Legion

September 2, 1924

McDONOUGH, THOMAS  
National Commander/AMVETS

4/12/24  
Chicago, IL

McKEOWN, CLETUS R. JR.  
President/Army Warrant Officers

July 9, 1940  
Rossville, GA

McLEOD, NEILL  
Vice President  
Army Warrant Officers Assoc.

September 19, 1927

MILEY, HENRY (GEN)  
ADPA

February 14, 1915  
Boston, MA

MONROE, CHARLES H. JR.  
Blinded Veterans

May 16, 1932  
Savannah, GA

NOLAN, ROBERT W.  
Fleet Reserve Association

October 27, 1923  
Danville, IL

ODELL, W. VAUGHN  
Deputy to the Administrator  
Veterans Administration

AMVETS

March 11, 1950  
Philadelphia, PA

PECKARSKY, JEROME C.  
Chief, Compensation/VA

January 24, 1915  
Milwaukee, Wisconsin

PICKETT, GEORGE (LTGEN)  
The Armed Forces Communications  
and Electric Association

May 26, 1918  
Palestine, TX

PIERRE, TOMME RUTH  
AMVETS

May 1, 1924  
New Orleans, LA

PILCHER, MILTON A.

November 13, 1916

POND, EDITH A.M.  
Pearl Harbor Survivors Assoc.

December 1, 1922  
Brooklyn, NY

POND, JESSE E. JR.  
Treasurer  
Pearl Harbor Survivors Assoc.

January 15, 1917  
St. Louis, MO

PRICE, REGINA EISENBERG  
Jewish War Veterans

11/6/29  
Washington, D. C.

RAMSEY, JOSEPH F.  
AMVETS

6/17/24  
Waco, TX

REILLY, WALTER J. (Maj)  
Disabled Officers Assoc.

[REDACTED]  
October 28, 1911  
Rutland, Vermont

ROUDEBUSH, RICHARD  
Administrator  
Veterans Administration

RODRIGUEZ, AIDA H.  
Society of U.S. AF Flight  
Surgeons

[REDACTED]  
March 4, 1936  
Santurce, Puerto Rico

RODRIGUEZ-LOPEZ, ENSOR (Col)  
Society of U.S. AF Flight  
Surgeons

[REDACTED]  
January 11, 1937  
Santurce, Puerto Rico

SANCHEZ, LEON  
AMVETS

[REDACTED]  
4/11/24  
Anton Chico, NM

SCHOOLER, ROBERT C.  
AAMVPA

[REDACTED]  
2/27/43  
Dayton, OH

SCHULTZ, ARTHUR J.  
Associate Deuty to the  
Administrator  
Veterans Administration

SCHWAB, DONALD  
Veterans of Foreign Wars of U.S.

[REDACTED]  
December 23, 1921  
Mt. Ary, PA

SELLERS, GENE H.  
Sons of the American Revolution

[REDACTED]  
November 10, 1922  
Salt Lake City, Utah

SELLERS, MATTHEW B. III  
President General  
Sons of the American Revolution

[REDACTED]  
November 13, 1919  
New York City, NY

SETTLEMIER, MARY ANN  
AAMVPA

[REDACTED]  
11/10/5310  
Belle Fontaine, OH

SHAW, LEONARD W. MRS. (Lee)  
American Red Cross

[REDACTED]  
February 17, 1924  
Birmingham, AL

SNIFFEN, ROBERT A.  
AMVETS

[REDACTED]  
6/7/43  
Sharon, PA

STAMEY, FRANK  
Army Warrant Officers Assoc.

[REDACTED]  
July 21, 1936

SWEITZER, ETHEL I.  
Veterans of WWI of the USA

[REDACTED]  
September 25, 1916  
Johnstown, PA

TIPPETT, CHARLES S.  
Air Force Association

[REDACTED]  
8/12/33  
Washington, D. C.

TOYE, ROSE ESTER (Mrs)  
Jewish War Veterans

[REDACTED]  
11/29/20  
Chicago, IL

TYLER, OTIS  
AAMVPA

[REDACTED]  
12/4/46  
Little Rock, Arkansas



VALE, SUMNER A.  
Blinded Veterans

April 15, 1923  
Cranston, RI

WASSON, JOSEPH W. JR.  
Naval Enlisted Reserve Assoc.

September 8, 1920  
Manchester, NH

WELLS, INEZ L.  
AAMVPA

6/17/35  
Alcoa, TN

WHITE, GRACE G.  
ROA

September 7, 1928  
Sioux City, Iowa

WILLENZ, JUNE A. (Mrs)  
American Veterans Committee

Brooklyn, NY

WILSON, ARTHUR H.  
DAV

2/25/43  
Lynn, Massachusetts

WINKLER, JACK L. (Mrs)  
(Barbara)

June 9, 1934  
Hammond, Indiana

WINKLER, JACK L. (LtCol)  
ODCS/OPS

2/19/32  
Lemmon, South Dakota

ZIFF, IRWIN R.  
Jewish War Veterans

6/7/29  
New York, NY

CRAIG, Timothy  
NACV  
[REDACTED]

15 Mar 1944  
Detroit, MI.

DARLING, Fred E.  
Non-Comm. Off. Assoc.  
[REDACTED]

18 Jan 1924  
Athens, N.Y.

DAVISON, MGen. Michael S.  
USO  
[REDACTED]

21 Mar 1917  
San Francisco, CA.

DeNIO, Major Jean  
USA/ASA  
[REDACTED]

13 Aug 1935  
Missoula, MT.

DOUGLAS, Mary E.  
CWV  
[REDACTED]

8 Jan 1941  
Washington, DC

ERNSTMEYER, Chaplain Milton  
MCA  
[REDACTED]

16 Sept 1916

FORREST, RADM James E.  
NRA  
[REDACTED]

19 Mar 1922  
Palms, CA.

FORREST, Mrs. James E.  
[REDACTED]

10 April 1926  
Duluth, MN.

FOSTER, Col. Donald C.  
POA  
[REDACTED]

2 Jun 1917  
Spartanburg, N.C.

GARCIA, Gilbert  
Am. G.I. Forum  
[REDACTED]

17 Aug 1918  
Brownsville, TX.

GASKILL, Dale  
NRA  
[REDACTED]

14 Jun 1935

GREENLIEF, Francis  
NGA  
[REDACTED]

27 Jul 1921  
Hastings, Neb.

GREGOR, George  
MOPH  
[REDACTED]

29 Apr. 1910  
Greenwich, CT.

HAMPTON, Capt. Jules Wilson  
Scabbard & Blade  
[REDACTED]

13 Jan 1945  
Baton Rouge, La.

HARLOW, Donald L.  
AFSA  
[REDACTED]

22 Sep 1920  
Waterville, Maine

HENNRİKUS, Jr., Col. George F.  
ROA  
[REDACTED]

15 Sept 1924  
Newton, Mass.

JASKILKA, Gen. Samuel  
MCA  
[REDACTED]

15 Dec 1919  
Ansonia, Ct.

JORDAN, Cleveland  
OVA  
[REDACTED]

18 Sept 1940  
Darlington, S.C.

KAMPSCHROR, Leslie D.  
NGA  
[REDACTED]

6 Nov 1932  
Glendive, Montana

KATSAINOS, Charles T.  
PFC  
[REDACTED]

12 Mar 1913  
Boston, MA.

KIDD, Cadet Capt. Gail Rene  
Scabbard & Blade  
[REDACTED]

16 Feb 1955  
Nashville, TN..

KOBRINETZ, Beverly  
MCA  
[REDACTED]

4 Apr 1937

LAZARUS, William  
ALA  
[REDACTED]

4 Jan 1936  
Chicago, IL.

LYNGH, Robert Edwin  
AL  
[REDACTED]

21 Nov 1919  
Chicago, IL.

MARSHALL, Earl  
AFSA  
[REDACTED]

25 Jul 1934  
Valust, GA.

MAYE, James A.  
PVA  
[REDACTED]

14 Jan 1943  
Bassett, VA.

McHUGH, Mrs. Joan A.  
OVA  
[REDACTED]

23 Sept 1940  
Donora, PA.

McINTYRE, John  
VWW I  
[REDACTED]

20 Feb 1900  
Kansas

McKINNEY, Charles A.  
Non-Comm. Officers Assoc.  
[REDACTED]

21 Feb 1925  
New Albany, Ind.

NEILL, Capt. Arthur H.  
NAUS  
[REDACTED]

24 May 1914  
Davenport, IO.

NELSON, Capt. Robert H.  
SAME  
[REDACTED]

21 Jul 1924  
Burton, OH.

PALM, Capt. Leslie M.  
USMC  
[REDACTED]

14 Oct 1944  
Marysville, CA.

PEELER, Robert  
AAMVPA  
[REDACTED]

PEREZ, Orlando  
CPRV  
[REDACTED]

4 Mar 1936  
Puerto Rico

PERKINS, Donald R.  
NGA  
[REDACTED]

15 Apr 1927  
Peabody, Mass.

RAMSBURG, James R.  
AMVETS  
[REDACTED]

23 Jan 1946  
Frederick, MD.

RICHEY, Willard T.  
AMVETS

[REDACTED]  
27 Oct 1934  
Washington, D.C.

ROFFEE, Lawrence W.  
PVA

[REDACTED]  
26 Aug 1947  
Denver, CO.

ROGERS, Richard  
NRA

[REDACTED]  
14 Dec 1914

RUFFIN, Thomas  
PFC

[REDACTED]  
10 Jun 1927  
Goodwill, OK.

SANCHEZ, Harry R.  
AAMVPA

[REDACTED]  
5 May 1944  
Belen, N.M.

SAY, Harold B.  
VWW I

[REDACTED]  
26 Oct 1895  
Santa Paula, CA.

SAYLOR, Capt. Phillip G.  
NRA

[REDACTED]  
21 May 1918  
Omaha, Neb.

SCHUETZ, Joseph T.  
AFSA

[REDACTED]  
29 Jun 1943  
Cynthiana, KY.

\*\* STATZER, Robert

TERRONES, Edwardo  
Am. G.I. Forum

[REDACTED]  
17 Oct 1922  
Pueblo, CO.

THROWER, Julius B.  
AAMVPA

[REDACTED]  
26 Mar 1938  
Mobile, ALA.

TISDALE, Matthew L.  
AAMVPA

[REDACTED]  
12 Jul 1945  
Baltimore, MD.

TOLBERT, Nat  
AAMVPA

[REDACTED]  
11 Mar 1941  
Macon, Ga.

TORREYSON, Linda  
CWV

[REDACTED]  
13 Feb 1943  
Washington, D.C.

TREVINO, Lorenzo G.  
Am. G.I. Forum

[REDACTED]  
24 Oct 1921  
Floresville, TX.

VANDEN HEUVEL, Ellsworth O.  
AFSA

[REDACTED]  
1 Jan 1923

\*\*STATZER, Robert  
Am. G.I. Forum

[REDACTED]  
26 May 1938  
Hamilton, OH.

VAUGHT, Col. Wilma L.  
USAF

[REDACTED]  
15 Mar 1930  
Pontiac, MI.

WARD, Jr., John W.  
SAME

[REDACTED]  
12 Nov 1913  
Brooklyn, N.Y.

WELLS, Barbara  
CWV

[REDACTED]  
18 Feb 1944  
East Orange, N.J.

WILEY, Col. Earl T.  
CWV

[REDACTED]  
26 Mar 1915  
Santa Fe, N.M.

WILKERSON, Philip Richard  
AL

[REDACTED]  
4 Mar 1942  
Washington, D.C.

WOOD, Bruce Carlton  
Scabbard & Blade

[REDACTED]  
23 Jan 1952  
Washington, D.C.

ZUMWALT, Marvin  
ASA

[REDACTED]  
18 Sept 1947  
Newport, R.I.

Milt Mitler  
Sandy Drake  
Dave Snyder  
Cheryl Jackson

*WJL  
10/12/50  
10/12/50*

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. 14298 - Veterans and Survivors  
Pension Adjustment 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 benefits payments for October 1976 as explained below.

Purpose

Provides cost-of-living increases and raises the income limitations in the veterans pension and dependent parents indemnity and compensation (DIC) programs; provides special benefit increases for veterans attaining age 78; requires pension reform feasibility study.

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
Veterans Administration	Approval (Signing statement attached)
Department of Health, Education, and Welfare	Defers to VA (informal)
Department of Justice	Defers to VA (informal)

Discussion

Benefits paid under the veterans pension program and the DIC program for needy dependent parents of veterans who die as a result of service-connected disabilities were last increased, by 8%, on January 1, 1976 (P.L. 94-169). In an unusual move--stemming from disagreement between the House and Senate Veterans Affairs Committees on the issue of pension reform--the Congress made that increase effective only for a temporary 9-month period expiring on September 30, 1976.

H.R. 14298 would extend the January 1, 1976, benefit increases, provide a further 7% increase to be effective January 1, 1977, and make certain other changes in the pension and parents DIC programs. As a compromise between the two committees, the bill calls for a study of the pension program to determine whether reform is either necessary or feasible.

To: Johnson  
9-24-76  
8:30 P.M.

STATEMENT BY THE PRESIDENT

To the House of Representatives

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.

✓

(Add at end of Vets Statement)

Our Nation's veterans ~~have~~ served well when their country  
~~has~~ called, and we have a duty <sup>in return</sup> to provide adequately for  
their disability and retirement needs. ~~in return~~ I believe

these bills are positive steps toward ~~these goals~~ <sup>meeting those needs of</sup>

*the men and women who have served in our armed forces.*

I am pleased to sign both bills ~~at this time~~ <sup>into law.</sup>

*OK awarded  
H. J. Smith*



## 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.

(Add at end of Vets Statement)

9/ Our Nation's veterans ~~has~~ served well when their country  
~~has~~ called, and we have a duty <sup>in return</sup> to provide adequately for  
their disability and retirement needs. ~~in return.~~ I believe

these bills are positive steps toward ~~those goals.~~ <sup>meeting those needs of</sup>

*the men and women who have served in our armed forces.*

9/ I am pleased to sign both bills ~~at this time.~~ <sup>into law.</sup>

*OK as stated  
H. Smith*

## 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.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 25

Time: 1000am

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

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14298-Veterans and Survivors Pension Adjustment 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, grounddfloor 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

DATE: September 25

Time: 1000am

FOR ACTION: David Lissy  
Max Friedersdorf  
Bobbie Kilberg  
Bill Seidman  
Alan Greenspan

cc (for information): Jack Marsh  
Jim Connor  
Ed Schmults  
Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14298-Veterans and Survivors Pension Adjustment 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

Approve signing of the bill. However, would like signing statement to include the following sentence:

"It is the intention of this Administration to implement the disclosure of information requirements in such a manner as to be consistent with the provisions of the Privacy Act."

B. Kilberg 9/27/76



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

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

SEP 28 1976

Dear Mr. Lynn:

This is in response to your request for a report on H.R. 14298, an enrolled bill "To amend title 38 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes".

The only provision in the enrolled bill which would affect this Department is section 403 which would require all Federal agencies to provide such information to the Veterans Administration as it may require for the purposes of making certain determinations under veterans programs. We object to this provision because it is not consistent with the purposes of the Privacy Act and because it would provide the Veterans Administration with an undesirable degree of authority to obtain personal information in government files. However, because the major provisions of the bill are of primary concern to the Veterans Administration, we defer to that agency as to the desirability of the enactment of the enrolled bill.

Section 403 of the enrolled bill would add a new section 3006 to title 38 which would provide as follows: "The head of any Federal department or agency shall provide such information to the Administrator [of the Veterans Administration] as he may request for the purposes of determining eligibility for or amount of benefits, or verifying other information with respect thereto". This provision is inconsistent with the intent of the Privacy Act in that it would not provide an individual with any rights with respect to access by the Veterans Administration to information about that individual which is maintained by this or any other Federal department or agency. As we indicated previously, it would seem more

reasonable for the Veterans Administration to obtain the consent of the individual before obtaining access to information maintained by other Federal agencies.

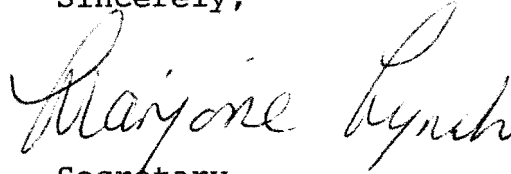
We recognize that this provision is modeled after section 1631(f) of the Social Security Act (42 U.S.C. 1383(f)), which provides the Secretary with similar authority to obtain from other Federal agencies "such information as [he] needs" for purposes related to eligibility for and benefits under the Supplemental Security Income program. This provision was enacted prior to the Privacy Act, and since the enactment of that Act this Department has taken steps to ensure that this authority is utilized in a manner consistent with that Act. The authority that would be provided to the Veterans Administration under the enrolled bill is somewhat broader than our authority under section 1681(f) in that the Administrator of that agency would be entitled to obtain any information which "he may request" if the request is made for purposes related to veterans benefits. In light of the comprehensive and well-accepted Federal policy relating to access to personal records embodied in the Privacy Act, we question the need for, and wisdom of, providing any Federal agency with such far-reaching authority.

For the reasons stated above, we believe this provision of the bill is objectionable. However, we appreciate the fact that the major substantive provisions in the bill relate to matters which are of primary importance to the Veterans Administration. Because considerations relating to those provisions may outweigh our concern with section 403, we defer to that agency as to the desirability of the enactment of the enrolled bill.

If, for reasons related to the substantive provisions of the bill, the President decides to approve it, we recommend that his signing statement reflect our concern with this provision and his intention to seek corrective legislation

in the near future. We believe such a statement should also indicate that appropriate administrative constraints will be placed on the Veterans Administration's use of this authority in order to ensure that the principles underlying the Privacy Act are not undermined.

Sincerely,

A handwritten signature in cursive script that reads "Marjorie Lynch". The signature is written in dark ink and is positioned above the typed name.

Under, Secretary



**Department of Justice**  
**Washington, D.C. 20530**

September 29, 1976

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

Dear Mr. Lynn:

In compliance with your request we have examined a facsimile of the enrolled bill, H.R. 14298, the "Veterans and Survivors Pension Adjustment Act of 1976." You requested our comments on section 403 of the enrolled bill.

Section 403 requires federal departments and agencies to provide information to the Administrator of the Veterans Administration, upon request, for purposes of determining eligibility for or amount of benefits, or verifying other information connected with such claims. Neither the text of the enrolled bill nor the House Report indicates the relationship of this provision to the Privacy Act of 1974, 5 U.S.C. 552a.

While it could be argued that the enrolled bill, having been enacted later in time and relating to specific kinds of benefit claims and the information needed to establish them, supersedes the Privacy Act restrictions on information dissemination, it is our view that the enrolled bill and the Privacy Act should be read together. The enrolled bill does not evince a clear intent to override the Privacy Act; for example, it does not begin with the phrase "notwithstanding any other provision of law" which is commonly used when there is an intention to set aside other legal barriers. Absent such a clear intent, it is a principle of statutory construction that enactments should be read together unless there is an irreconcilable conflict. No such conflict is apparent in section 403 since much of the information required by the Administrator from other agencies could, presumably, be made available pursuant to appropriate

"routine uses" under the Privacy Act.

We defer to the Veterans Administration as to the other provisions of the enrolled bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael M. Uhlmann". The signature is written in dark ink and is positioned to the right of the typed name.

Michael M. Uhlmann  
Assistant Attorney General  
Office of Legislative Affairs

Date: September 25

Time: 1000am

*MT*

FOR ACTION: David Lissy  
Max Friedersdorf  
Bobbie Kilberg  
Bill Seidman  
Alan Greenspan

cc (for information): Jack Marsh  
Jim Connor  
Ed Schmults  
Robert Hartmann

*235  
RHS  
to 9-27 9:10  
GAM*

*to DJS  
9-27 10:40  
GAM*

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14298-Veterans and Survivors Pension Adjustment  
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

*OK/MWRB*

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

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.

Backup  
up

Dec.  
12/23/75  
Emp Jones  
Weeley  
Comp 14298  
P. 1397  
Background  
info

Backup  
info  
10/1/76

[Add <sup>at end of</sup> ~~to~~ Vete Statement]

Insert ~~between~~ 1st and 2nd paragraph

Our Nation's veterans served well when <sup>here</sup> ~~our~~ country called <sup>their</sup> ~~us~~ and <sup>has</sup> ~~we~~ have a duty to provide adequately for ~~them~~ and our Country must return that service in kind.

~~I believe the two bills before me today are positive steps toward meeting the needs of the men and women who have served in our armed forces.~~  
their disability and retirement needs in return.

→ I believe these two bills are positive steps toward these goals. I am pleased to sign ~~them~~ both bills at this time.

Rec. 9/25/76 12:56 pm

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

9/25 Copy sent for researching. ✓  
9/27 Researched copy returned. um

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

ION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 25

Time: 1000am

*Jml*

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

cc (for information): Jack Marsh  
Jim Connor  
Ed Schmults  
Alan Greenspan

*234*  
*to Res 9:10*  
*9-27 6Am*  
*to DJS*  
*9-27 10:40*  
*6Am*

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

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

*ok/jml*

STATEMENT BY THE PRESIDENT

*ok*  
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. *ok*

*ok*  
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. *ok*

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. *ok*

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.

*Backup*  
*Dec. 23, 1975*  
*Tom Jones*  
*office*  
*WC, P. 1297*  
*1975*  
*Background info*  
*OMT Backup*  
*Attached Paul O'Neill memo backup*



D September 25

Time: 1000am

FOR ACTION: David Lissy  
Max Friedersdorf  
Bobbie Kilberg  
Bill Seidman  
Alan Greenspan

cc (for information): Jack Marsh  
Jim Connor  
Ed Schmults  
Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14298-Veterans and Survivors Pension Adjustment Act of 1976

ACTION REQUESTED:

*and notes with committee members from the*

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

Approve signing of the bill. However, would like signing statement to include the following sentence:

"It is the intention of this Administration to implement the disclosure of information requirements in such a manner as to be consistent with the provisions of the Privacy Act."

B. Kilberg 9/27/76

THE WHITE HOUSE

WASHINGTON

September 27, 1976

MEMORANDUM FOR: JIM CAVANAUGH  
FROM: MAX L. FRIEDERSDORF *M.L.F.*  
SUBJECT: HR 14298 - Veterans and Survivors Pension  
Adjustment Act of 1976

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

Attachments

Date: September 25

Time: 1000am

FOR ACTION: David Lissy ✓  
Max Friedersdorf  
Bobbie Kilberg  
Bill Seidman  
Alan Greenspan

cc (for information): Jack Marsh  
Jim Connor  
Robert Hartmann  
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14298-Veterans and Survivors Pension Adjustment  
Act of 1976

ACTION REQUESTED:

\_\_\_\_\_ For Necessary Action

\_\_\_\_\_ For Your Recommendations

\_\_\_\_\_ Prepare Agenda and Brief

\_\_\_\_\_ Draft Reply

—X— For Your Comments

\_\_\_\_\_ Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

9.27  
Recommended  
approved and  
signed by  
Attorney  
AM

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  
Bill Seidman  
Alan Greenspan

cc (for information): Jack Marsh  
Jim Connor  
Ed Schmults  
Robert Hartmann

FROM THE STAFF SECRETARY

DUE: Date: September 27

Time: noon

SUBJECT:

H.R. 14298-Veterans and Survivors Pension Adjustment 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  
JW*

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 CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

1976 SEP 28 PM 6 09

September 27, 1976

MEMORANDUM FOR JAMES CANNON

FROM: ALAN GREENSPAN 

This is in response to your request for my comments on H. R. 14298 and H. R. 14299, veteran pension and disability acts. I believe the President should sign these bills but indicate displeasure with the very high cost-of-living increases and other new benefits that violate the basic principles of these programs.

A draft signing statement is attached.



9/27/76

DRAFT STATEMENT BY THE PRESIDENT

Today I am signing 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.

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.

Last December 1975, I signed a bill that provided a temporary 8 percent 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 percent 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 percent on October 1, 1976, and will increase a number of other special benefit payments based on service-connected disability.

The increase in veterans' benefits by 7 or 8 percent is in excess of the rise in consumer prices in 1976 and our expectations for 1977. An increase of 6 percent this year and 5.5 percent next year would have

been more appropriate. Both bills contain additional subsidies which violate the principles of benefits being related to the disability of the disabled veterans and the economic need of the veterans. H.R. 14299 provides additional benefits for disabled veterans with a spouse who is also disabled. Although we wish to help those who suffer from non-military disabilities, this is not a responsibility of the veterans program. H.R. 14298 provides a 25 percent increase in pensions for veterans age 78 and older, that is, for World War I veterans. This across-the-board increase in benefits solely on the basis of age undermines the philosophy behind the veterans benefit programs. It is unfortunate the Congress continually increases benefits under one program or another without consideration for program coordination or what the added benefits mean for the basic purpose of the programs.

In spite of these reservations, I am signing both bills because I believe it is essential that veterans have the cost-of-living increases and that it would be unconscionable to let veterans' benefits decline.

## 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.



## VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1976

JUNE 16, 1976.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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

### REPORT

[Including cost estimate and comparison of the Congressional Budget Office]

[To accompany H.R. 14298]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 14298) to amend title 38 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes, having considered the same, reports favorably thereon, unanimously by voice vote, with amendment, and recommends that the bill do pass.

The amendment is as follows:

Page 3, line 5, strike out "subsection (c)(2)" and insert "subsection (c)(3)".

#### INTRODUCTION

On May 14, 1976, the Subcommittee on Compensation, Pension and Insurance held hearings on pending legislation to provide cost-of-living increases for non-service-connected disability and death pension for wartime veterans and their survivors and dependency and indemnity compensation payments for needy parents of veterans who died of service related causes. On May 17, 1976, the Subcommittee held hearings on pending legislation to provide additional benefits for World War I veterans and eligible survivors.

The Subcommittee heard testimony from the Veterans Administration, The American Legion, the AMVETS, the Veterans of Foreign Wars, the Veterans of World War I of the USA, the Disabled American Veterans, the Paralyzed Veterans of America, and Members of Congress.

On June 8, 1976, the Subcommittee recommended to the full Committee a clean bill.

On June 15, 1976, the full Committee, by unanimous vote, ordered the bill, H.R. 14298, reported with one technical amendment.

*History of the Current Non-Service-Connected Pension System*

Since the time of the Revolutionary War the American people have felt a special responsibility for the men and women who served the nation in time of war and for their widows and orphans.

For those disabled and for the survivors of those who died of service caused disease or injury a special burden of care was assumed; yet, for those who were aged and disabled through non-service-connected causes and for the widows and orphans of those dying of non-service-connected disabilities who became in need, the Nation's conscience dictated an honorable measure of assistance.

The older programs were in tune with their times and related to an agrarian and factory work force. Support was predicated on a need growing from inability to do laboring work in a society with no broadly based employment insurance or old age and survivors insurance programs.

The system that existed prior to July 1, 1960 was an all-or-nothing system paying the same amount of pension to the single veteran that was available to the veteran with a wife and children. The same amount of pension was paid to a veteran with no income as was paid to one having but one cent less than the amount of income which would have terminated his entitlement to pension.

A need was seen in 1959 to revise the pension program; to make it more responsive to the needs of those served, and to graduate the amounts of pension in keeping with the degree of need as measured by other income.

Such a modern pension system came into being on July 1, 1960 through enactment of Public Law 86-211. It was a graduated pension system with a three-level scale replacing the old, all-or-nothing system. The largest payments of pension were to those having the least income from other sources, and as outside income increased, the amount of pension decreased.

Most veterans were entitled to greater pension payments under Public Law 86-211 and under it a vast new group of widows and children became entitled to pension benefits. No one received less under the new law since a "grandfather" clause permitted those on the rolls who chose to do so to remain under the old "protected" law. More than 180,000 veterans and survivors are now receiving payment under "protected law." Hundreds of these would receive more pension at once if they would choose now to elect to be paid under current law.

Historically, the Congress has reviewed the pension program with a view toward an equitable adjustment of pension rates and income limitations governing pension entitlement to assure that needy, disabled, wartime veterans and their survivors do not suffer unduly because of inflation.

Congress determined that simple rate adjustments and increases in limitations on income were not enough. A need became clear to relate payment of pension more closely to need.

First, Public Law 90-275, in addition to substantially increasing pension rates payable and raising maximum income limits, replaced the three-level increment system with a scale providing pension rates for

each \$100 income level. In this way the disproportionate loss of pension resulting as the veteran's income moved from one to another of the three levels of entitlement was replaced with a small adjustment in pension as income moved from one of the 20-plus increments of \$100-gradations in the new scale. The more orderly and gradual reduction in monthly pension payments resulting from small increases in other income clearly represented an advancement in providing pension related to each pensioner's need with protection from sharp adjustments.

Public Law 91-588 was enacted following a further review and evaluation of the system in 1970. Even with income limitations graduated in \$100 levels the so-called "sawtooth syndrome" continued to permit, on occasion, a greater reduction in pension than the increase in outside income causing pension reduction. When this happened there resulted a loss of aggregate income for the pensioner. A solution was needed to bring an end to the costly round of rate and increment increases required to pass through at least a part of income increases from other sources. This need was most acutely felt in relation to social security payments since such payments were then, as with pension, controlled by law.

The solution of choice was the payment of pension based on a formula designed to preclude net loss of aggregate income for all who remain on the pension rolls. The formula prevents an individual from having a net loss in total income whenever the individual's VA pension is decreased as the result of an increase in other income, provided the claimant's other income is within the maximum income limits. In each case, when there is a reduction in VA pension because of an increase in countable income from whatever source, the amount of reduction in pension will be less than the amount of increase in other income. Thus, such pensioners will always have a net gain rather than a loss in total income.

The formula is readily adaptable also to the requirement for adjustment in the maximum monthly payment level and in outside limitations for each group when review by Congress dictates the need.

*Assessment of the Non-Service-Connected Pension Program*

Questions have been raised as to the adequacy of the present pension system and the extent to which it meets the needs of non-service-connected disabled veterans and their dependents, especially in view of the continuing high rate of inflation.

The following table shows the distribution of all active compensation, dependency and indemnity compensation, and pension cases for all wars and regular establishment as of May 1976:

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES, ALL WARS AND REGULAR ESTABLISHMENT, MONTH OF MAY 1976

Entitlement	Disability, total cases	Death, total cases	Death beneficiaries			
			Total	Widows	Children	Parents
Total	3,230,905	1,637,967	2,248,058	1,183,448	899,597	165,013
Service-connected	2,230,965	367,895	484,001	215,450	103,538	165,013
Compensation	2,230,965	85,095	95,248	160	36	95,052
Dependency and indemnity compensation		278,080	378,845	210,892	103,343	64,610
Dependency and indemnity compensation and compensation		4,720	9,908	4,398	159	5,351
Nonservice-connected	999,584	1,270,048	1,764,032	967,986	796,046	
Public law 86-211	908,490	1,181,649	1,674,626	880,857	793,769	
Prior law	91,094	88,399	89,406	87,129	2,277	
Special acts	37	24	25	12	13	
Retired emergency officers	318					
Retired Reserve officers	1					
World War II	1,893,883	747,501	1,081,183	448,953	526,895	105,335
Service-connected	1,290,439	188,569	215,929	97,166	13,428	105,335
Compensation	1,290,439	67,517	74,690	89	5	74,596
Dependency and indemnity compensation		117,559	133,989	93,771	13,363	26,855
Dependency and indemnity compensation and compensation		3,493	7,250	3,306	60	3,884
Nonservice-connected	603,444	558,932	865,254	351,787	513,467	
Public Law 86-211	594,843	556,055	862,222	348,930	513,292	
Prior law	8,601	2,877	3,032	2,857	175	
World War I	378,882	599,631	614,277	587,555	26,398	324
Service-connected	50,421	34,393	34,555	33,580	651	324
Compensation	50,421	161	170	45	3	122
Dependency and indemnity compensation		34,228	34,377	33,531	648	198
Dependency and indemnity compensation and compensation		4	8	4		4
Nonservice-connected	328,142	565,238	579,722	553,975	25,747	
Public Law 86-211	247,032	497,614	511,426	486,417	25,009	
Prior law	81,110	67,624	68,296	67,558	738	
Special acts	1					
Retired Emergency officers	318					
Korean conflict	298,032	142,210	300,382	51,247	225,768	23,367
Service-connected	239,800	39,372	50,563	19,341	7,855	23,367
Compensation	239,800	14,135	16,600	10	8	16,582
Dependency and indemnity compensation		24,305	31,988	18,487	7,832	5,669
Dependency and indemnity compensation and compensation		932	1,975	844	15	1,116
Nonservice-connected	58,232	102,838	249,819	31,906	217,913	
Public Law 86-211	57,270	102,773	249,742	31,844	217,898	
Prior law	962	65	77	62	15	
Vietnam era	463,465	77,208	161,938	40,980	98,872	22,086
Service-connected	454,741	57,149	115,957	32,451	61,420	22,086
Compensation	454,741	19	33	5	13	15
Dependency and indemnity compensation		57,108	115,851	32,431	61,374	22,046
Dependency and indemnity compensation and compensation		22	73	15	33	25

TABLE 1.—ACTIVE COMPENSATION, DEPENDENCY AND INDEMNITY COMPENSATION, PENSION AND RETIREMENT CASES, ALL WARS AND REGULAR ESTABLISHMENT, MONTH OF MAY 1976—Continued

Entitlement	Disability, total cases	Death, total cases	Death beneficiaries			
			Total	Widows	Children	Parents
Nonservice-connected	8,724	20,059	45,981	8,529	37,452	
Public Law 86-211	8,724	20,059	45,981	8,529	37,452	
Regular establishment	195,582	48,183	66,768	32,705	20,162	13,901
Service-connected	195,545	48,175	66,760	32,697	20,162	13,901
Compensation	195,545	3,263	3,755	11	7	3,737
Dependency and indemnity compensation		44,643	62,403	32,457	20,104	9,842
Dependency and indemnity compensation and compensation		269	602	229	51	322
Special acts	36	8	8	8		
Retired Reserve officers	1					
Spanish-American War	718	22,240	22,500	21,221	1,279	
Service-connected	7	224	224	209	15	
Compensation	7					
Dependency and indemnity compensation		224	224	209	15	
Nonservice-connected	711	22,008	22,268	21,009	1,259	
Public Law 86-211	290	4,579	4,674	4,574	100	
Prior law	421	17,429	17,594	16,435	1,159	
Special acts		8	8	3	5	
Mexican Border Service	343	573	585	567	18	
Service-connected	12	4	4	4		
Compensation	12					
Dependency and indemnity compensation		4	4	4		
Nonservice-connected	331	569	581	563	18	
Public Law 86-211	331	569	581	563	18	
Indian wars		70	71	58	13	
Service-connected		1	1		1	
Dependency and indemnity compensation		1	1		1	
Nonservice-connected		68	69	57	12	
Prior law		68	69	57	12	
Special acts		1	1	1		
Civil War		351	354	162	192	
Service-connected		8	8	2	6	
Dependency and indemnity compensation		8	8	2	6	
Nonservice-connected		336	338	160	178	
Prior law		336	338	160	178	
Special acts		7	8		8	

Source: Reports and Statistics Service, Office of Controller, June 9, 1976.

The following table shows the percent of increase in pension rates vis-a-vis the percent of increase in cost of living indices and a comparison of such increases with the current cost of living index and the increased rates the bill proposes:

TABLE 2.—PENSION RATES CORRELATED TO COST OF LIVING

Law	Effective date	Monthly rates, veteran and 3 or more dependents, minimal income	Consumer Price Index 1933=100	Percent of change in monthly pension rate over July 1933 rate	Percent of change in cost of living index over July 1933=100
Veterans Regulations I(a)	July 1, 1933	\$30.00	28.1	331.7	28.1
Public Law 601, 77th Cong.	June 10, 1942	40.00	48.8	66.9	37.5
Public Law 313, 78th Cong.	May 27, 1944	50.00	52.4	100.0	58.8
Public Law 662, 79th Cong.	Sept. 1, 1946	60.00	60.3	140.0	108.7
Public Law 356, 82d Cong.	July 1, 1952	63.00	79.3	129.0	111.0
Public Law 698, 83d Cong.	Oct. 1, 1954	66.15	80.4	233.3	132.8
Public Law 86-211	July 1, 1960	100.00	86.7	286.7	145.7
Public Law 86-564	Jan. 1, 1965	115.00	93.6	296.7	154.3
Public Law 90-275	Oct. 1, 1967	119.00	100.7	333.3	176.3
Public Law 91-588	Jan. 1, 1969	130.00	106.4	378.3	212.6
Public Law 92-198	Jan. 1, 1971	142.00	119.1	400.0	223.4
Public Law 93-177	Jan. 1, 1972	150.00	123.1	446.7	263.4
Public Law 93-527	Jan. 1, 1974	164.00	138.5	506.7	306.9
Public Law 94-169	Jan. 1, 1975	182.00	155.4	533.3	326.9
Public Law 94-169	Jan. 1, 1976	196.00	166.3	553.3	341.5
H.R. 14298, 94th Cong.	Jan. 1, 1977	209.00	168.2	586.7	341.5

<sup>1</sup> As of January 1971, the CPI has been corrected to the new base, 1967=100.

<sup>2</sup> April 1976.

It is readily apparent from this table that the Congress has addressed the task of providing adequately for the needy, wartime veteran.

The following two tables show a historical record of development of pensions for veterans: (1) The development of the protected law pension program and, (2) the evolution of current law rates and income limitations.

TABLE 3.—HISTORICAL DEVELOPMENT OF PROTECTED LAW PENSION FOR VETERANS

Law and effective date	Income limits		Rates of pension			Aid and attendance	House bound
	Single	With dependent	Single	1 dependent	2 dependents		
WW VA, July 1, 1933	\$1,000	\$2,500	\$30	\$30	\$30	\$30	
Public Law 77-601, June 10, 1942	1,000	2,500	\$40	\$40	\$40	\$40	
Public Law 78-313, May 27, 1944	1,000	2,500	\$50, age 65 or after 10 yr	\$50, age 65 or after 10 yr	\$50, age 65 or after 10 yr	\$50, age 65 or after 10 yr	
Public Law 79-662, Sept. 1, 1946	1,000	2,500	\$60, age 65 or after 10 yr	\$60, age 65 or after 10 yr	\$60, age 65 or after 10 yr	\$60, age 65 or after 10 yr	
Public Law 82-149, Nov. 1, 1951	1,000	2,500	\$72, age 65 or after 10 yr	\$72, age 65 or after 10 yr	\$72, age 65 or after 10 yr	\$72, age 65 or after 10 yr	\$120.00
Public Law 82-356, Public Law 82-357, July 1, 1952	1,400	2,700	\$63, age 65 or after 10 yr	\$63, age 65 or after 10 yr	\$63, age 65 or after 10 yr	\$63, age 65 or after 10 yr	129.00
Public Law 83-698, Oct. 1, 1954	1,400	2,700	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	135.45
Public Law 90-77, Oct. 1, 1967	1,400	2,700	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	135.45
Public Law 90-275, Jan. 1, 1969	1,600	2,900	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	135.45
Public Law 91-588, Jan. 1, 1971	1,900	3,200	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	135.45
Public Law 92-198, Jan. 1, 1972	2,200	3,500	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	135.45
Public Law 93-527, Jan. 1, 1975	2,600	3,900	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	135.45
Public Law 94-169, Jan. 1, 1976	2,900	4,200	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	\$66.15, age 65 or after 10 yr	135.45
H.R. 14298, 94 Cong. Jan. 1, 1976	3,100	4,460	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	\$78.75, age 65 or after 10 yr	135.45

TABLE 4.—HISTORICAL DEVELOPMENT OF CURRENT LAW PENSION FOR VETERANS

Law and effective date	Income limits						House bound
	Single			With dependent			
	Single	1 dependent	2 dependents	2 dependents	3 dependents	Aid and attendance	
Public Law 86-211, July 1, 1960	\$1,800	\$90 down to \$45	\$95 down to \$45	\$95 down to \$45	\$100 down to \$45	\$70 added	
Public Law 88-564, Jan. 1, 1965	1,800	\$105 down to \$48	\$110 down to \$48	\$110 down to \$48	\$115 down to \$48	\$100 added	\$35 added
Public Law 90-77, Oct. 1, 1967	1,800	\$104 down to \$45	\$109 down to \$45	\$114 down to \$45	\$119 down to \$45	\$100 added	\$40 added
Public Law 91-588, Jan. 1, 1968	2,000	\$110 down to \$34	\$120 down to \$34	\$125 down to \$34	\$130 down to \$34	\$100 added	\$40 added
Public Law 92-198, Jan. 1, 1971	2,300	\$121 down to \$29	\$132 down to \$34	\$137 down to \$34	\$142 down to \$34	\$110 added	\$44 added
Public Law 93-177, Jan. 1, 1974	2,600	\$130 down to \$28	\$140 down to \$33	\$145 down to \$33	\$150 down to \$33	\$110 added	\$44 added
Public Law 93-527, Jan. 1, 1975	3,000	\$143 down to \$5	\$154 down to \$39	\$159 down to \$44	\$164 down to \$44	\$110 added	\$49 added
Public Law 94-169, Jan. 1, 1976	3,300	\$160 down to \$5	\$172 down to \$5	\$177 down to \$5	\$182 down to \$5	\$123 added	\$53 added
H.R. 14288, 94th Cong., Jan. 1, 1977	3,540	\$185 down to \$5	\$199 down to \$5	\$204 down to \$5	\$209 down to \$5	\$155 added	\$57 added

## Income Characteristics of Non-service-connected Pensioners

A considerable volume of data is available on the income characteristics of veterans and widows receiving pension and on parents who are in receipt of DIC. The following tables show the numbers of beneficiaries at selected levels of income other than pension on April 20, 1976:

TABLE 5.—ALL VETERANS ON PENSION ROLLS, APR. 20, 1976

Annual income not over—	Total	Old law	New law	Percent old law	Percent new law
\$100.....	168,293	7,945	160,348	4.7	95.3
\$200.....	4,282	586	3,696	13.7	86.3
\$300.....	4,180	510	3,670	12.2	87.8
\$400.....	3,315	478	2,837	14.4	85.6
\$500.....	3,567	395	3,172	11.1	88.9
\$600.....	3,102	387	2,715	12.5	87.5
\$700.....	2,249	297	1,952	13.2	86.8
\$800.....	3,440	360	3,080	10.5	89.5
\$900.....	4,562	345	4,217	7.6	92.4
\$1,000.....	11,065	434	10,631	3.9	96.1
\$1,100.....	31,324	2,349	28,975	7.5	92.5
\$1,200.....	16,060	1,034	15,026	6.4	93.6
\$1,300.....	17,522	1,258	16,264	7.2	92.8
\$1,400.....	17,891	1,265	16,626	7.1	92.9
\$1,500.....	20,360	1,584	18,776	7.8	92.2
\$1,600.....	24,793	2,017	22,776	8.1	91.9
\$1,700.....	27,077	2,239	24,838	8.3	91.7
\$1,800.....	29,499	2,492	27,007	8.4	91.6
\$1,900.....	28,996	2,753	26,243	9.5	90.5
\$2,000.....	33,894	3,258	30,636	9.6	90.4
\$2,100.....	30,480	3,467	27,013	11.4	88.6
\$2,200.....	30,487	3,622	26,865	11.9	88.1
\$2,300.....	31,696	3,900	27,796	12.3	87.7
\$2,400.....	32,286	3,902	28,384	12.1	87.9
\$2,500.....	36,702	6,002	30,700	16.4	83.6
\$2,600.....	36,861	4,471	32,390	12.1	87.9
\$2,700.....	34,092	3,338	30,754	9.8	90.2
\$2,800.....	37,373	4,543	32,830	12.2	87.8
\$2,900.....	35,083	2,990	32,093	8.5	91.5
\$3,000.....	34,612	2,319	32,293	6.7	93.3
\$3,100.....	26,505	2,268	24,237	8.6	91.4
\$3,200.....	23,691	2,306	21,385	9.7	90.3
\$3,300.....	22,532	2,267	20,265	10.1	89.9
\$3,400.....	15,153	2,393	12,760	15.7	84.3
\$3,500.....	16,703	2,303	14,400	13.8	86.2
\$3,600.....	15,716	2,325	13,391	14.8	85.2
\$3,700.....	13,400	2,209	11,191	16.5	83.5
\$3,800.....	12,494	1,924	10,570	15.4	84.6
\$3,900.....	11,544	1,922	9,622	16.6	83.4
\$4,000.....	9,735	610	9,125	6.3	93.7
\$4,100.....	8,915	473	8,442	5.3	94.7
\$4,200.....	8,954	395	8,559	4.4	95.6
\$4,300.....	5,072	.....	5,072	.0	100.0
\$4,400.....	4,511	.....	4,511	.0	100.0
\$4,500.....	4,012	.....	4,012	.0	100.0
Not stated.....	96	34	62	35.4	64.6
Total.....	998,126	91,969	906,157	9.2	90.8



TABLE 10.—DEPENDENCY AND INDEMNITY COMPENSATION, PARENTS ONLY—2 PARENTS, APR. 20, 1976  
(ALL CASES)

Annual income not over	Father living with spouse or remarried and living with spouse		Mother living with spouse or remarried and living with spouse		Surviving father remarried and living with spouse		Surviving mother remarried and living with spouse	
	Number	Percent of total	Number	Percent of total	Number	Percent of total	Number	Percent of total
\$100.....	1,133	14.5	1,198	15.2	41	8.9	84	12.4
\$200.....	47	.6	41	.5	1	.2	2	.3
\$300.....	34	.4	34	.4	1	.2	4	.6
\$400.....	35	.4	39	.5	1	.2	4	.6
\$500.....	40	.5	42	.5	1	.2	5	.7
\$600.....	54	.7	58	.7	5	1.1	7	1.0
\$700.....	40	.5	34	.4	5	1.1	2	.3
\$800.....	65	.8	67	.8	7	1.5	2	.3
\$900.....	74	.9	80	1.0	3	.7	5	.7
\$1,000.....	120	1.5	131	1.7	9	2.0	13	1.9
\$1,100.....	139	1.8	130	1.6	18	3.9	9	1.3
\$1,200.....	141	1.8	151	1.9	8	1.7	10	1.5
\$1,300.....	104	1.3	102	1.3	13	2.8	8	1.2
\$1,400.....	140	1.8	147	1.9	13	2.8	11	1.6
\$1,500.....	255	3.3	244	3.1	13	2.8	12	1.8
\$1,600.....	346	4.4	336	4.3	18	3.9	17	2.5
\$1,700.....	251	3.2	256	3.2	16	3.5	23	3.4
\$1,800.....	221	2.8	211	2.7	7	1.5	15	2.2
\$1,900.....	213	2.7	218	2.8	10	2.2	13	1.9
\$2,000.....	231	3.0	232	2.9	15	3.3	16	2.4
\$2,100.....	243	3.1	242	3.1	9	2.0	21	3.1
\$2,200.....	244	3.1	237	3.0	23	5.0	14	2.1
\$2,300.....	229	2.9	230	2.9	15	3.3	14	2.1
\$2,400.....	229	2.9	219	2.8	16	3.5	16	2.4
\$2,500.....	237	3.0	227	2.9	8	1.7	13	1.9
\$2,600.....	238	3.1	245	3.1	9	2.0	23	3.4
\$2,700.....	223	2.9	233	3.0	12	2.6	20	3.0
\$2,800.....	228	2.9	237	3.0	15	3.3	19	2.8
\$2,900.....	193	2.5	195	2.5	15	3.3	20	3.0
\$3,000.....	195	2.5	195	2.5	11	2.4	18	2.7
\$3,100.....	170	2.2	171	2.2	7	1.5	10	1.5
\$3,200.....	158	2.0	165	2.1	15	3.3	22	3.2
\$3,300.....	139	1.8	132	1.7	10	2.2	18	2.7
\$3,400.....	153	2.0	151	1.9	6	1.3	21	3.1
\$3,500.....	139	1.8	145	1.8	8	1.7	21	3.1
\$3,600.....	138	1.8	142	1.8	8	1.7	14	2.1
\$3,700.....	146	1.9	147	1.9	14	3.0	18	2.7
\$3,800.....	141	1.8	145	1.8	10	2.2	20	3.0
\$3,900.....	134	1.7	131	1.7	6	1.3	26	3.8
\$4,000.....	130	1.7	129	1.6	10	2.2	14	2.1
\$4,100.....	141	1.8	138	1.7	10	2.2	13	1.9
\$4,200.....	99	1.3	100	1.3	5	1.1	18	2.7
\$4,300.....	78	1.0	85	1.1	5	1.1	5	.7
\$4,400.....	45	.6	53	.7	2	.4	7	1.0
\$4,500.....	47	.6	44	.6	6	1.3	10	1.5
Total.....	7,800	100.0	7,889	100.0	460	100.0	677	100.0

### EXPLANATION OF THE BILL

Last year Congress passed HR 10355, which became Public Law 94-169, the Veterans and Survivors Pension Interim Adjustment Act of 1974. Among other things, it provided an 8 percent increase in pension rates for eligible veterans and their survivors and raised the maximum annual income limitations by \$300 to be effective from January 1, 1976 through September 30, 1976.

The reported bill, HR 14298, would make permanent the "interim" 8 percent rate increases and the \$300 annual income limitation increases from October 1, 1976 and would provide effective January 1, 1977 for a further cost-of-living increase in rates of 7 percent with appropriate increases in annual income limitations.

The Consumer Price Index has risen 1.1 percent since the pension rates were last adjusted, January 1, 1976. The Committee on the

Budget has advised that based on its projections of the Consumer Price Index it expects a 6.4 percent quarter-to-quarter increase in 1976 over 1975, with a final increase year end to year end of approximately 5.7 percent. Social Security payments are being increased by 6.4 percent effective with July checks. Since the proposed increases in the reported bill would become effective January 1, 1977, the 7 percent rate increase would serve to offset expected increases in the Consumer Price Index for all of Calendar year 1976 and would be responsive to the real increases in income of pensioners from other federal income maintenance programs which are indexed to the Consumer Price Index.

The reported bill's increases in maximum rates of 7 percent will be spread by the formula throughout the range of payments relating to each dollar level of other income.

Since pension rate increases standing alone would not benefit the relatively few who would, in 1977, exceed current income limitations, the bill is further designed to increase the upper limits controlling pension entitlement by \$240 for single veterans and widows where there is no child and by \$260 for veterans having a wife or child and widows with a child or children. These amounts are the amount of increase considered adequate to prevent termination of pension for any pensioner solely because of the 8 percent increase in his or her social security benefits.

The income limit provided under the current law for veterans and widows without dependents would be increased from \$3,300 to \$3,540. The income limit for a veteran or a widow with dependents would be increased from \$4,500 to \$4,760.

These figures do not tell the entire story. Since current law counts only 90 percent of a pensioner's income from social security and other retirement type payments that represent most pensioner's income, the effective income limits for them could be as high as \$3,933 or \$5,289.

For easy reference, the following tables set forth the current rates of pension payable to veterans and widows and to DIC parents at \$100 increments together with the corresponding amount that would be payable under the increased rate formula of the bill:

TABLE 11.—PENSION PROPOSAL

Income not over—	Veteran alone		Veteran and 1 dependent		Widow alone		Widow with 1 dependent	
	Current	Bill	Current	Bill	Current	Bill	Current	Bill
0.....	173	185	186	199	117	125	139	149
\$100.....	173	185	186	199	117	125	139	149
\$200.....	173	185	186	199	117	125	139	149
\$300.....	173	185	186	199	117	125	139	149
\$400.....	170	182	186	199	117	125	139	149
\$500.....	167	179	186	199	116	124	139	149
\$600.....	163	175	184	197	115	123	139	149
\$700.....	159	171	182	195	114	122	139	149
\$800.....	154	166	179	192	111	119	139	149
\$900.....	149	161	176	189	108	116	138	148
\$1,000.....	144	155	173	186	105	113	137	147
\$1,100.....	139	149	170	183	101	109	136	146
\$1,200.....	134	143	167	179	97	105	135	144
\$1,300.....	128	137	164	175	93	101	133	142
\$1,400.....	122	131	160	171	89	96	131	140
\$1,500.....	116	125	156	167	85	91	129	138
\$1,600.....	110	118	152	163	81	86	127	136
\$1,700.....	104	111	148	159	76	81	125	134
\$1,800.....	97	104	144	155	66	71	123	132

TABLE 11.—PENSION PROPOSAL—Continued

Income not over—	Veteran alone		Veteran and 1 dependent		Widow alone		Widow with 1 dependent	
	Current	Bill	Current	Bill	Current	Bill	Current	Bill
\$1,900	90	96	140	151	61	66	118	126
\$2,000	83	88	136	147	56	61	112	123
\$2,100	75	80	132	143	51	56	112	120
\$2,200	67	72	128	139	46	51	109	117
\$2,300	59	64	124	135	41	46	106	114
\$2,400	51	56	120	131	36	40	103	111
\$2,500	43	48	116	126	31	34	100	108
\$2,600	35	40	112	121	26	28	97	104
\$2,700	27	32	108	116	21	22	94	100
\$2,800	19	24	104	111	15	16	90	96
\$2,900	11	16	99	106	9	10	86	92
\$3,000	5	8	94	101	5	5	82	88
\$3,100	5	5	89	96	5	5	78	84
\$3,200	5	5	84	90	5	5	74	80
\$3,300	5	5	78	84	5	5	70	76
\$3,400		5	72	78		5	66	71
\$3,500		5	66	72		5	62	66
\$3,540		5				5		
\$3,600			60	65			57	61
\$3,700			54	58			53	56
\$3,800			48	50			53	56
\$3,900			40	42			53	56
\$4,000			32	34			53	56
\$4,100			24	26			53	56
\$4,200			16	18			53	56
\$4,300			8	10			53	56
\$4,400			5	5			53	56
\$4,500			5	5			53	56
\$4,600				5				56
\$4,700				5				56
\$4,760				5				56

TABLE 12.—DIC PARENTS

Income not over—	1 parent		2 parents together		2 parents not together	
	Current	Bill	Current	Bill	Current	Bill
0	133	142				
\$100	133	142				
\$200	133	142				
\$300	133	142				
\$400	133	142				
\$500	133	142				
\$600	133	142				
\$700	133	142				
\$800	133	142				
\$900	130	139			93	100
\$1,000	127	136	90	96	91	98
\$1,100	123	132	88	94	89	96
\$1,200	119	128	86	92	87	94
\$1,300	114	123	84	90	83	90
\$1,400	109	118	82	88	79	86
\$1,500	104	112	80	86	75	81
\$1,600	98	106	78	84	71	76
\$1,700	92	98	76	82	67	71
\$1,800	84	90	74	80	62	66
\$1,900	76	82	72	78	57	61
\$2,000	68	74	70	76	52	56
\$2,100	60	66	68	74	47	51
\$2,200	52	58	66	71	42	46
\$2,300	44	50	64	68	37	41
\$2,400	36	42	61	65	32	36
\$2,500	28	34	58	62	27	30
\$2,600	20	26	55	59	21	24
\$2,700	12	18	52	56	15	18
\$2,800	5	10	49	53	9	12
\$2,900	5	5	46	50	5	6
\$3,000	5	5	43	47	5	5
\$3,100	5	5	40	44	5	5
\$3,200	5	5	37	40	5	5
\$3,300	5	5	34	36	5	5
\$3,400		5	30	32		5
\$3,500		5	26	28		5
\$3,540		5				5
\$3,600			22	24		
\$3,700			18	20		
\$3,800			14	16		

TABLE 12.—DIC PARENTS—Continued

Income not over—	1 parent		2 parents together		2 parents not together	
	Current	Bill	Current	Bill	Current	Bill
\$3,900			10	11		
\$4,000			6	6		
\$4,100			5	5		
\$4,200			5	5		
\$4,300			5	5		
\$4,400			5	5		
\$4,500			5	5		
\$4,600						
\$4,700						
\$4,760						

Most pensioners are elderly—and the most common source of income available to them is social security. The average social security payment received by veteran pensioners before the most recent, 6.4 percent increase was reported as \$187 monthly. The figure for widows was placed at \$157 monthly.

Under the formula pension plan as liberalized by Public Law 94-169 that became effective January 1, 1976, no pensioner lost his pension solely because of the increase in his social security benefits which became effective in 1975. Under the liberalized formula it is further true that no pensioner suffered a loss in total annual income as a result solely of his increase in social security payments.

The amendments proposed by this bill for 1977 would again insure that there would be no termination of pension or reduction in net annual income of the pensioner resulting solely from his 6.4 percent social security increase which became effective in June of this year.

SECTION-BY-SECTION ANALYSIS OF THE BILL

Title I

Section 101 of the bill 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.

Title II

Section 201 would change the definition of permanent total disability to permit payment from date of unemployability after age 65 if claim is filed in one year as now done for those filing in one year of age 65 or of becoming permanently totally disabled before that age.

Sections 202 through 206 would provide rate increases of approximately 7% including additional allowance for housebound status, and increases of 15 percent for aid and attendance for pensioners, 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 from \$4,500 to \$4,760 for pensioners with dependents 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.

Section 202 also provides for a 25 percent added differential for all pension rates for eligible veterans who are 80 years of age or older.

### *Title III*

Section 301 would provide rate increases of approximately 7%, including additional allowance for aid and attendance for parents entitled to DIC, effective January 1, 1977. Amendments found in this section would also increase maximum income limitations from \$3,300 to \$3,540 in the case of surviving spouses without dependents and for a single parent and from \$4,500 to \$4,760 for parents living together or with a spouse under current law.

### *Title IV*

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.

### OVERSIGHT FINDINGS

In compliance with Rule XI of the Rules of the House of Representatives, the following statements are made:

The Committee has received the benefit of staff studies conducted by the Congressional Research Service, by the Congressional Budget Office, and the Paralyzed Veterans of America.

It is evident from all these findings that the effects of inflation continue to depreciate the real worth of the income available to pensioners from sources other than pension and discount as well the pensions provided by veterans' laws. Under a formula enacted by the Congress, social security benefits were increased mid-year by 6.4 per-

cent. Social security is the principal source of income for aged and disabled veterans, their widows, orphans and their surviving dependent parents. Other sources of retirement and annuity type income have, in many instances, also increased because of escalator provisions in other Federal, State, and local laws or union and company pension contracts.

Since pension has traditionally been a needs program, income from other sources has been taken into account in establishing entitlements and setting payment rates. Because of the "end-of-the-year rule" social security and other increases in calendar year 1976 will not affect pension payments in 1976.

The committee demonstrated, however, that increases in income limitations and in rates are required for 1977 if substantial adverse effect on overall pension entitlement is to be averted. Such remedies are provided by the bill and the bill has been carefully limited to such remedies.

No oversight findings have been submitted to the committee by the Committee on Government Operations.

### BUDGET STATEMENT

The following statement has been submitted by the Congressional Budget Office relative to the provisions of H.R. 14298:

CONGRESS OF THE UNITED STATES,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, D.C., June 15, 1976.

HON. RAY ROBERTS,  
Chairman, Committee on Veterans' Affairs,  
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has received and reviewed a copy of the draft bill which extends and expands certain provisions of the disability and pension programs for veterans and their dependents and survivors.

Due to the complexity of the bill and the current workload of our staff, we will not be able at this time to provide the Committee on Veterans' Affairs with independent cost estimates of the provisions of the draft bill.

We have, however, examined the cost estimates of various provisions supplied to the Committee by the Veterans' Administration. While we cannot yet comment on the accuracy of the base data on the distribution of recipients, the methodology and assumptions used in developing the cost estimates appear to be reasonable.

As time permits, the Congressional Budget Office will continue to examine the fiscal impact of the draft bill. Should we be able to produce independent cost estimates of any provision, we will inform the Committee as soon as possible.

Should the Committee so desire, we will be pleased to discuss this matter further.

Sincerely,

Alice M. Rivlin, Director.

## INFLATIONARY IMPACT STATEMENT

With respect to Rule XI of the House Rules, relating to the inflationary impact of the reported bill, the committee is of the opinion the rate increase provided in H.R. 14298 is not inflationary. The estimated first year cost of the bill is approximately \$414.2 million. The bill provides a cost-of-living increase and does not initiate any new spending program with future year import. Since the last rate increase, the Consumer Price Index has risen 1.1 percent according to the latest report by the Department of Labor, and it must be presumed that it will continue in its upward climb until January 1, 1977, when the bill will be effective.

The bill as reported preserves the fundamental principles incorporated in the most recent refinements of the pension program, which means that as a result of the increases in income limitations and of rates by 7 percent, no pensioner will have his entitlement to pension terminated solely because of his social security increase in 1976 and, equally important, all who continue to receive pension in 1977 will enjoy more total income from pension and other sources than they had in 1976.

## COST

According to the Veterans' Administration, the reported bill would cost \$414.2 million in fiscal year 1977. The committee has secured the following cost estimates from the agency, and has adopted them as its own:

TABLE 13.—5-yr. cost of H.R. 14298

Year	Cost (millions)
1977.....	414.2
1978.....	482.6
1979.....	470.5
1980.....	458.7
1981.....	442.9

## AGENCY REPORTS

The following report has been received from the Veterans' Administration:

VETERANS' ADMINISTRATION,  
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,  
Washington, D.C., June 8, 1976.

HON. RAY ROBERTS,  
Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for a report on your committee's draft bill to amend title 38 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes.

The measure would:

1. Continue the 8 percent 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 percent for pensioners and parents entitled to dependency and indemnity compensation (DIC);

3. Increase income limitations for old and new law pensioners and parents entitled to DIC;

4. Provide housebound benefits for veteran pensioners on attainment of age 80;

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. 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

7. 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 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.

Section 101 of the subject draft bill would amend sections 102, 103, 104, 105, 107, 201 and 202 of Public Law 94-169 so as to continue the 8 percent 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(c) so that a veteran entitled to pension would meet the housebound requirement, regardless of whether he or she is, in fact, housebound, upon attainment of age 80.

Sections 202 through 206 and 301 would provide rate increases of approximately 7 percent, including additional allowance for aid and attendance 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 limitations 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.

Section 401 would amend 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 re-

quested 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 the veterans and their survivors have been regularly recognized in the face of changing economic conditions. Effective the first of this year, non-service-connected disability and death pension rates for veterans, widows and children and dependency and indemnity compensation rates for parents were increased by approximately 8 percent, and income limitations were correspondingly increased, by Public Law 94-169, with these increases scheduled therein to expire on September 30, 1976.

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.

The pension requirement for the "housebound" allowance is now met when a veteran is substantially confined to his or her dwelling and the immediate premises or, if institutionalized, to the ward or clinical area, as a result of disability and it is reasonably certain that such disability will continue throughout his or her lifetime.

From its inception in 1933, the disability pension program has been based on the philosophy of providing a measure of assistance to veterans of wartime service and their surviving dependents in need. The Veterans' Administration equitably considers all claims for pension. In those cases in which it is determined that a permanent and total disability exists, entitlement to both the aid and attendance and/or housebound allowances is also considered based upon the facts in the individual cases.

Payment of the housebound benefit is based on a factual finding that the veteran has the qualifying disability. Such disablement may strike veterans of any age. To arbitrarily entitle a veteran at age 80, as would enactment of section 201 of the subject bill, to the housebound rate, contrary to fact, would tend to be discriminatory towards veterans under age 80 who may be more disabled than the veteran who is 80 years old but not disabled as to meet the housebound criteria.

This proposal is inconsistent with the long established policy that pension is a measure of assistance based upon need, in that it would provide for an increase of \$53 in the monthly rate of pension for a

veteran not qualified for the aid and attendance allowance, solely on the basis of having attained age 80. This proposal would, therefore, often be contrary to the facts in an individual case.

Within the next 5 years 500,000 veteran pensioners conceivably could attain age 80, and within the next 10 years this figure could increase to approximately 1,500,000. Consequently, potential eligibles under this proposed amendment could proliferate at a rapid pace.

For the foregoing reasons, the Veterans' Administration is unable to support such proposed change.

The subject draft bill proposes to amend subsection (d) of section 521 of title 38 U.S.C. 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.

Section 402 of the subject draft bill 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 the ever changing economic conditions, 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. We believe the provision, as drafted, could conflict with certain limitations and restrictions in the Freedom of Information Act and the Privacy Act. Accordingly, we are reviewing the proposed language with other affected agencies and will provide the Committee with our views regarding this provision shortly upon the completion of our review.

There is a minor technical difficulty in section 202 of the subject draft bill. It proposes to amend subsection (c)(2) of section 521, title 38, to change income limitations. This amendment is apparently intended to be to subsection (c)(3).

The estimated costs, on a section-by-section basis, of the subject draft bill are as follows:

Section 101: Extension of Public Law 94-169 rates:

Fiscal year:	Cost (millions)
1977 (full year)-----	\$198.4
1978-----	194.4
1979-----	187.2
1980-----	178.0
1981-----	167.5

Section 201: Automatic presumption of housebound status for veterans age 80 and over:

Fiscal year:	Cost (millions)
1977 (¾ year)-----	\$66.3
1978-----	88.4
1979-----	87.5
1980-----	85.6
1981-----	82.9

Section 202(a): Seven percent rate increase for new law veterans:<sup>1</sup>

Fiscal year:	Cost (millions)
1977 (¾ year)-----	\$68.1
1978-----	90.0
1979-----	87.1
1980-----	85.6
1981-----	82.8

Section 202(b)—Provision to "dollar down" aid and attendance allowance (veterans only):

Fiscal year:	Cost (millions)
1977 (¾ year)-----	\$0.5
1978-----	1.4
1979-----	2.6
1980-----	4.0
1981-----	6.2

Section 203: Seven percent rate increase for new law widows:<sup>1</sup>

Fiscal year:	Cost (millions)
1977 (¾ year)-----	\$47.5
1978-----	62.7
1979-----	60.7
1980-----	59.6
1981-----	57.8

Section 204: Increase to children alone rates:

Fiscal year:	Cost (millions)
1977 (¾ year)-----	\$1.0
1978-----	1.3
1979-----	1.2
1980-----	1.2
1981-----	1.2

<sup>1</sup> The costs of the increases to A. & A., housebound, and additional dependents allowances are included in these sections.

## Section 206: Increase in the income limits under old law:

Fiscal year:	Cost (millions)
1977 (¾ year)-----	\$7.2
1978-----	9.6
1979-----	9.3
1980-----	9.1
1981-----	8.8

## Section 303: Seven percent increase in DIC parents rates:

Fiscal year:	Cost (millions)
1977 (¾ year)-----	\$4.4
1978-----	5.9
1979-----	5.7
1980-----	5.6
1981-----	5.4

Title IV: We are unable to estimate the cost of the provisions included in title IV due to insufficient data.

Fiscal year:	Cost (millions)
1977-----	\$393.4
1978-----	453.7
1979-----	441.3
1980-----	428.7
1981-----	412.6

In addition, the costs of complete medical services under 38 U.S.C. 612 (g) to the persons affected by section 201 are estimated at \$29 million in fiscal year 1977, \$38.8 million in fiscal year 1978, and declining to \$36.4 million in FY 1981.

It has been the policy of the Administration to recommend Veterans' Administration benefit increases for DIC and pension programs when needed in order to insure that our programs remain responsive to 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. As of the end of April 1976, the cost of living has risen approximately 1.1 percent since January 1, 1976, as measured by the Consumer Price Index.

In view of the foregoing, the Veterans' Administration opposes enactment of the subject draft bill. We would, however, support increased 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, 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.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, 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 *italics*, existing law in which no change is proposed is shown in roman):

## PUBLIC LAW 94-169

To amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes

\* \* \* \* \*

SEC. 102. Effective [for the period beginning] January 1, 1976, [and ending September 30, 1976] section 521 of title 38, United States Code, is amended—

(1) \* \* \*

\* \* \* \* \*

SEC. 103. Effective [for the period beginning] January 1, 1976, [and ending September 30, 1976] section 541 of title 38, United States Code, is amended—

(1) \* \* \*

\* \* \* \* \*

SEC. 104. Effective [for the period beginning] January 1, 1976, [and ending September 30, 1976] section 542 of title 38, United States Code, is amended—

(1) \* \* \*

\* \* \* \* \*

SEC. 105. Effective [for the period beginning] January 1, 1976, [and ending September 30, 1976] section 544 of title 38, United States Code, is amended to read as follows:

\* \* \* \* \*

SEC. 107. Effective [for the period beginning] January 1, 1976, [and ending September 30, 1976,] section 4 of Public Law 90-275 (82 Stat. 68) is amended to read as follows:

\* \* \* \* \*

SEC. 201. Effective [for the period beginning] January 1, 1976, [and ending September 30, 1976] section 415 of title 38, United States Code, is amended—

(1) \* \* \*

\* \* \* \* \*

SEC. 202. Effective [for the period beginning] January 1, 1976, [and ending September 30, 1976] section 322 of title 38, United States Code, is amended by striking out in subsection (b) "\$64" and inserting in lieu thereof "\$69".

## TITLE 38, UNITED STATES CODE

\* \* \* \* \*

## § 102. Dependent parents; husbands

(a)(1) Dependency of a parent, which may arise before or after the death of a veteran, shall be determined in accordance with regulations prescribed by the Administrator.

(2) Dependency of a parent shall not be denied (A) solely because of remarriage, or (B) in any case in any State where the monthly income for a mother or father [not living together, is not more than \$105, or where the monthly income for a mother and father living together, is not more than \$175, plus, in either case, \$45 for each additional member of the family whom the father or mother is under a moral or legal obligation to support, as determined by the Administrator] does not exceed minimum levels which the Administrator shall prescribe by regulation, giving due regard to the marital status of the mother or father and additional members of the family whom the mother or father is under a moral or legal obligation to support.

(3) For the purposes of this subsection in determining monthly income the Administrator shall not consider any payments under laws administered by the Veterans' Administration because of disability or death or payments of bonus or similar cash gratuity by any State based upon service in the Armed Forces.

\* \* \* \* \*

## § 322. Rates of wartime death compensation

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

- (1) Widow but no child, \$87;
- (2) Widow with one child, \$121 (with \$29 for each additional child);
- (3) No widow but one child, \$67;
- (4) No widow but two children, \$94 (equally divided);
- (5) No widow but three children, \$122 (equally divided) (with \$23 for each additional child, total amount to be equally divided);
- (6) Dependent mother or father, \$75;
- (7) Dependent mother and father, \$40 each.

(b) The monthly rate of death compensation payable to a widow or dependent parent under subsection (a) of this section shall be increased by ~~[\$69]~~ \$74 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.

\* \* \* \* \*

## § 415. Dependency and indemnity compensation to parents

(a) Dependency and indemnity compensation shall be paid monthly to parents of a deceased veteran in the amounts prescribed by this section.

(b)(1) Except as provided in paragraph (4) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to the parent according to the following formula:

The monthly rate of dependency and indemnity compensation shall be \$133 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$800
.03	\$800	1,000
.04	1,000	1,200
.05	1,200	1,500
.06	1,500	1,700
.08	1,700	3,300

The monthly rate of dependency and indemnity compensation shall be \$142 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$800
.03	\$800	1,000
.04	1,000	1,200
.05	1,200	1,400
.06	1,400	1,600
.08	1,600	5,640

(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds ~~[\$3,300]~~ \$3,540.

\* \* \* \* \*

(c)(1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each parent according to the following formula:

The monthly rate of dependency and indemnity compensation shall be \$93 reduced by—	For each \$1 of annual income of such parent	
	Which is more than—	But not more than—
\$0.00	0	\$800
.02	\$800	1,100
.04	1,100	1,600
.05	1,600	2,400
.06	2,400	3,300

The monthly rate of dependency and indemnity compensation shall be \$100 reduced by—	For each \$1 of annual income of such parent	
	Which is more than—	But not more than—
\$0.00	0	\$800
.02	\$800	1,100
.04	1,100	1,300
.05	1,300	2,300
.06	2,300	3,640

\* \* \* \* \*

(3) In no case may dependency and indemnity compensation be paid under paragraph (1) of this subsection to any parent if the annual income of such parent exceeds ~~[\$3,300]~~ \$3,540.

(d)(1) If there are two parents who are living together, or if a

parent has remarried and is living with such parent's spouse, dependency and indemnity compensation shall be paid to each such parent according to the following formula:

The monthly rate of dependency and indemnity compensation shall be \$90 reduced by—	For each \$1 of the total combined annual income	
	Which is more than—	But not more than—
\$0.00	0	\$1,000
.02	\$1,000	2,300
.03	2,300	3,300
.04	3,300	4,500

The monthly rate of dependency and indemnity compensation shall be \$96 reduced by—	For each \$1 of the total combined annual income	
	Which is more than—	But not more than—
\$0.00	0	\$1,000
.02	\$1,000	2,100
.03	2,100	3,100
.04	3,100	3,800
.05	3,800	4,760

(2) In no case may the amount of dependency and indemnity compensation payable to any parent under this subsection be less than \$5 monthly.

(3) In no case may dependency and indemnity compensation be paid under this subsection to a parent if the total combined annual income of the parent and such parent's spouse exceeds **[\$4,500]** \$4,760.

\* \* \* \* \*

(h) The monthly rate of dependency and indemnity compensation payable to a parent shall be increased by **[\$69]** \$74 if such parent 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.

\* \* \* \* \*

**§ 502. Determinations with respect to disability**

(a) For the purposes of this chapter, a person shall be considered to be permanently and totally disabled if such person is sixty-five years of age or older or *became unemployable after age 65*, or is suffering from—

- (1) any disability which is sufficient to render it impossible for the average person to follow a substantially gainful occupation, but only if it is reasonably certain that such disability will continue throughout the life of the disabled person; or
- (2) any disease or disorder determined by the Administrator to be of such a nature or extent as to justify a determination that persons suffering therefrom are permanently and totally disabled.

\* \* \* \* \*

NON-SERVICE-CONNECTED DISABILITY PENSION

**§ 521. Veterans of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era**

(a) \* \* \*

(b)(1) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of such veteran's spouse) and has no child, pension shall be paid to the veteran according to the following formula:

The monthly rate of pension shall be \$173 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.03	\$300	500
.04	500	700
.05	700	1,200
.06	1,200	1,700
.07	1,700	2,000
.08	2,000	3,300

The monthly rate of pension shall be \$185 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.03	\$300	500
.04	500	700
.05	700	900
.06	900	1,550
.07	1,500	1,800
.08	1,800	3,540

\* \* \* \* \*

(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds **[\$3,300]** \$3,540.

(c)(1) If the veteran is married and living with or reasonably contributing to the support of such veteran's spouse, or has a child or children, pension shall be paid to the veteran according to the following formula:

The monthly rate of pension for a veteran shall be—\$186 if such veteran has one such dependent; \$191 if such veteran has two such dependents; and \$196 if such veteran has three or more such dependents; reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$500
.02	\$500	700
.03	700	1,300
.04	1,300	2,800
.05	2,800	3,200
.06	3,200	3,800
.08	3,800	4,500

The monthly rate of pension for a veteran shall be—

\$199 if he or she has one dependent;  
\$204 if he or she has two dependents;  
and \$209 if he or she has three or more dependents; reduced by—

	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$500
.02	\$500	700
.03	700	1,100
.04	1,100	2,400
.05	2,400	3,100
.06	3,100	3,500
.07	3,500	3,700
.08	3,700	4,760

(2) In no case may the amount of pension payable to any veteran under this subsection be less than \$5 monthly.

(3) In no case may pension be paid under this subsection to any veteran if the annual income of such veteran exceeds **[\$4,500]** \$4,760.

(d)(1) If the veteran is in need of regular aid and attendance, the monthly rate payable to such veteran under subsection (b) or (c) shall be increased by **[\$133]** \$155.

(2) In any case in which—

(A) any veteran is denied pension under subsection (b) or (c) of this section solely for the reason that his annual income exceeds the maximum income limitation set forth in such subsection, or

(B) payment of pension to any veteran under such subsection

(b) or (c) is discontinued for such reason,

and such veteran is in need of aid and attendance, such veteran shall be entitled to a monthly rate of \$155 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.

(c) If the veteran has a disability rated as permanent and total, and (1) has additional disability or disabilities independently ratable at 60 per centum or more, or, (2) by reason of such veteran's disability or disabilities, is permanently housebound but does not qualify for the aid and attendance rate under subsection (d) of this section, the monthly rate payable to such veteran under subsection (b) or (c) shall be increased by **[\$53]** \$57.

\* \* \* \* \*

(h) The rate of pension payable to any veteran receiving benefits under subsections (b), (c), (d), and (e) of this section shall be increased by 25 per centum beginning on the first day of the month during which the veteran attains age 80.

\* \* \* \* \*

MEXICAN BORDER PERIOD, WORLD WAR I, WORLD WAR II, THE KOREAN CONFLICT, AND THE VIETNAM ERA

**§ 541. Surviving spouses of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans**

(a) \* \* \*

(b)(1) If there is no child, pension shall be paid to the surviving spouse according to the following formula:

The monthly rate of pension shall be \$117 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.01	\$300	600
.03	600	900
.04	900	1,500
.05	1,500	2,700
.06	2,700	3,300

The monthly rate of pension shall be \$125 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$500
.01	\$500	600
.03	600	900
.04	900	1,200
.05	1,200	2,300
.06	2,300	3,540

(2) In no case may the amount of pension payable to any surviving spouse under this subsection be less than \$5 monthly.

(3) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds **[\$3,300]** \$3,540.

(c)(1) If there is a surviving spouse and one child, pension shall be paid to the surviving spouse according to the following formula:

The monthly rate of pension shall be \$139 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$700
.01	\$700	1,100
.02	1,100	1,800
.03	1,800	2,700
.04	2,700	3,500
.05	3,500	4,500

The monthly rate of pension shall be \$149 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$700
.01	\$700	1,100
.02	1,100	1,700
.03	1,700	2,500
.04	2,500	3,500
.05	3,500	4,760

(2) In no case may pension be paid under this subsection to any surviving spouse if the annual income of such surviving spouse exceeds **[\$4,500]** \$4,760.

\* \* \* \* \*

(d) If there is a surviving spouse and more than one child, the monthly rate payable under subsection (c) shall be increased by **[\$22]** \$24 for each additional child.

\* \* \* \* \*



§ 542. Children of Mexican border period, World War I, World War II, Korean conflict, or Vietnam era veterans

(a) Whenever there is no surviving spouse entitled to pension under section 541 of this title, the Administrator shall pay to the child or children of each veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, who met the service requirements of section 521 of this title, or who at the time of death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the monthly rate of **[\$53]** \$57 for one child, and **[\$22]** \$24 for each additional child.

\* \* \* \* \*

(c) No pension shall be paid under this section to a child whose annual income, excluding earned income, exceeds **[\$2,700]** \$2,890.

SURVIVING SPOUSES OF VETERANS OF ALL PERIODS OF WAR

§ 544. Aid and attendance allowance

If any surviving spouse is entitled to pension under this subchapter and is in need of regular aid and attendance, the monthly rate of pension payable to the surviving spouse shall be increased by **[\$69]** \$74.

\* \* \* \* \*

CHAPTER 51—APPLICATIONS, EFFECTIVE DATES, AND PAYMENTS

SUBCHAPTER I—APPLICATIONS

- Sec. 3001. Claims and forms.
- 3002. Application forms furnished upon request.
- 3003. Incomplete applications.
- 3005. Joint applications for social security and dependency and indemnity compensation.
- 3006. *Furnishing of information by other agencies.*

Subchapter I—Applications

\* \* \* \* \*

§ 3006. *Furnishing of information by other agencies.*

*The head of any Federal department or agency shall provide such information to the Administrator as he may request for purposes of determining eligibility for or amount of benefits, or verifying other information with respect thereto.*

\* \* \* \* \*

PUBLIC LAW 90-275

To amend title 38 of the United States Code to liberalize the provisions relating to payment of pension, and for other purposes

\* \* \* \* \*

SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be **[\$1,600 and \$2,900, instead of \$1,400 and \$2,700, respectively]** \$3,100 and \$4,460 instead of \$2,900 and \$4,200, respectively.

\* \* \* \* \*



H. R. 14298

# 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 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, 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 and Survivors Pension Adjustment Act of 1976".*

### TITLE I—EXTENSION OF CERTAIN INTERIM ADJUSTMENTS OF PENSION AND OF DEPENDENCY AND INDEMNITY COMPENSATION RATES UNTIL JANUARY 1, 1977

SEC. 101. Sections 102, 103, 104, 105, 107, 201, and 202 of Public Law 94-169 (89 Stat. 1014) are each amended by striking out "for the period beginning January 1, 1976, and ending September 30, 1976" and inserting in lieu thereof "January 1, 1976".

### TITLE II—VETERANS' AND SURVIVORS' PENSIONS

SEC. 201. Section 502(a) of title 38, United States Code, is amended by inserting immediately after "or older" the following: "or became unemployable after age 65."

SEC. 202. Section 521 of title 38, United States Code, is amended—  
(1) by amending the table in section (b) (1) to read as follows:

"The monthly rate of pension shall be \$185 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.03	\$300	500
.04	500	700
.05	700	900
.06	900	1,500
.07	1,500	1,800
.08	1,800	3,540";

(2) by striking out "\$3,300" in subsection (b) (3) and inserting in lieu thereof "\$3,540".

(3) by amending the table in subsection (c) (1) to read as follows:

"The monthly rate of pension for a veteran shall be— \$199 if he or she has one dependent; \$204 if he or she has two dependents; and \$209 if he or she has three or more dependents; reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$500
.02	\$500	700
.03	700	1,100
.04	1,100	2,400
.05	2,400	3,100
.06	3,100	3,500
.07	3,500	3,700
.08	3,700	4,760";

H. R. 14298—2

(4) by striking out "\$4,500" in subsection (c) (3) and inserting in lieu thereof "\$4,760";

(5) by amending subsection (d) to read as follows:

"(d) (1) If the veteran is in need of regular aid and attendance, the monthly rate payable to such veteran under subsection (b) or (c) shall be increased by \$155.

"(2) In any case in which—

"(A) any veteran is denied pension under subsection (b) or (c) of this section solely for the reason that his annual income exceeds the maximum income limitation set forth in such subsection, or

"(B) payment of pension to any veteran under such subsection (b) or (c) is discontinued for such reason, and such veteran is in need of aid and attendance, such veteran shall be entitled to a monthly rate of \$155 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."

(6) by striking out "\$53" in subsection (e) and inserting in lieu thereof "\$57"; and

(7) by adding at the end thereof the following new paragraph:

"(h) The rate of pension payable to any veteran receiving benefits under subsections (b), (c), (d), and (e) of this section shall be increased by 25 per centum beginning on the first day of the month during which the veteran attains age 78."

SEC. 203. Section 541 of title 38, United States Code, is amended—

(1) by amending the table in subsection (b) (1) to read as follows:

"The monthly rate of pension shall be \$125 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$300
.01	\$300	600
.03	600	900
.04	900	1,200
.05	1,200	2,300
.06	2,300	3,540";

(2) by striking out "\$3,300" in subsection (b) (3) and inserting in lieu thereof "\$3,540";

(3) by amending the table in subsection (c) (1) to read as follows:

"The monthly rate of pension shall be \$149 reduced by—"	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$700
.01	\$700	1,100
.02	1,100	1,700
.03	1,700	2,500
.04	2,500	3,300
.05	3,300	4,760";

(4) by striking out "\$4,500" in subsection (c) (2) and inserting in lieu thereof "\$4,760"; and

(5) by striking out "\$22" in subsection (d) and inserting in lieu thereof "\$24".

SEC. 204. Section 542 of title 38, United States Code, is amended—  
 (1) by striking out “\$53” and “\$22” in subsection (a) and inserting in lieu thereof “\$57” and “\$24”, respectively; and  
 (2) by striking out “\$2,700” in subsection (c) and inserting in lieu thereof “\$2,890”.

SEC. 205. Section 544 of title 38, United States Code, is amended by striking out “\$69” and inserting in lieu thereof “\$74”.

SEC. 206. Section 4 of Public Law 90-275 (82 Stat. 68) is amended to read as follows:

“SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans’ Pension Act of 1959 hereafter shall be \$3,100 and \$4,460 instead of \$2,900 and \$4,200, respectively.”

TITLE III—DEPENDENCY AND INDEMNITY  
 COMPENSATION FOR PARENTS

SEC. 301. Section 415 of title 38, United States Code, is amended—  
 (1) by amending the table in subsection (b) (1) to read as follows:

“The monthly rate of dependency and indemnity compensation shall be \$142 reduced by—	For each \$1 of annual income	
	Which is more than—	But not more than—
\$0.00	0	\$800
.03	\$800	1,000
.04	1,000	1,200
.05	1,200	1,400
.06	1,400	1,600
.08	1,600	3,540”;

(2) by striking out “\$3,300” in subsection (b) (3) and inserting in lieu thereof “\$3,540”;

(3) by amending the table in subsection (c) (1) to read as follows:

“The monthly rate of dependency and indemnity compensation shall be \$100 reduced by—	For each \$1 of annual income of such parent	
	Which is more than—	But not more than—
\$0.00	0	\$800
.02	\$800	1,100
.04	1,100	1,300
.05	1,300	2,300
.06	2,300	3,540”;

(4) by striking out “\$3,300” in subsection (c) (3) and inserting in lieu thereof “\$3,540”;

(5) by amending the table in subsection (d) (1) to read as follows:

“The monthly rate of dependency and indemnity compensation shall be \$96 reduced by—	For each \$1 of the total combined annual income	
	Which is more than—	But not more than—
\$0.00	0	\$1,000
.02	\$1,000	2,100
.03	2,100	3,100
.04	3,100	3,800
.05	3,800	4,760”;

- (6) by striking out "\$4,500" in subsection (d) (3) and inserting in lieu thereof "\$4,760"; and  
(7) by striking out "\$69" in subsection (h) and inserting in lieu thereof "\$74".

TITLE IV—MISCELLANEOUS AND EFFECTIVE  
DATE PROVISIONS

SEC. 401. Section 322(b) of title 38, United States Code, is amended by striking out "\$69" and inserting in lieu thereof "\$74".

SEC. 402. Subsection 102(a) (2) of title 38, United States Code, is amended to read as follows:

"(2) Dependency of a parent shall not be denied (A) solely because of remarriage, or (B) in any case in any State where the monthly income for a mother or father does not exceed minimum levels which the Administrator shall prescribe by regulation, giving due regard to the marital status of the mother or father and additional members of the family whom the mother or father is under a moral or legal obligation to support."

SEC. 403. Chapter 51 of title 38, United States Code, is amended as follows:

- (1) the analysis of subchapter I is amended by adding at the end the following:

"3006. Furnishing of information by other agencies.;"

and

- (2) subchapter I is amended by adding at the end thereof the following new section:

**"§ 3006. Furnishing of information by other agencies**

"The head of any Federal department or agency shall provide such information to the Administrator as he may request for purposes of determining eligibility for or amount of benefits, or verifying other information with respect thereto."

SEC. 404. (a) The Congress finds and declares that the pension program for nonservice-connected disability or death, authorized in chapter 15 of title 38, United States Code, and administered by the Veterans' Administration—

- (1) does not provide sufficient assistance to meet the needs of some eligible veterans and survivors;  
(2) has developed some inconsistencies, inequities, and anomalies which prevent it from operating in the most efficient and equitable manner; and  
(3) subjects many pensioners annually to reductions in their pensions.

The Congress further finds and declares that it lacks sufficient long-range information as to actual and anticipated financial characteristics of potential pensioners (and their families) upon which to estimate costs of existing alternative pension programs.

(b) No later than October 1, 1977, the Administrator of Veterans' Affairs shall submit a report to Congress and the President. The report shall contain the findings and recommendations of a comprehensive investigation, analysis, and evaluation of existing and alternative nonservice-connected pension programs, and shall include, but not be limited to, the following:

- (1) Income characteristics of veterans and survivors currently in receipt of nonservice-connected pension.

H. R. 14298—5

- (2) Actual and anticipated long-term financial characteristics of pensioners including those veterans and survivors (and their families) who may be potentially eligible for benefits under the nonservice-connected pension program during the next 25 years.
  - (3) Identification and analysis of existing inequities, anomalies, and inconsistencies contained in the current nonservice-connected pension program.
  - (4) Current and proposed income exclusions.
  - (5) Particular problems and needs of catastrophically disabled nonservice-connected pensioners.
  - (6) Alternative proposals which—
    - (A) assure a level of income for eligible veterans at or above the national minimum standard of need;
    - (B) treat similarly circumstanced pensioners alike; and
    - (C) provide the greatest amount of assistance to those with the greatest amount of need.
  - (c) On the basis of the investigation, analysis, and evaluation required to be made in subsection (b), the report shall identify alternative courses of legislative or administrative action (including proposed legislation) and long-range cost estimates therefor which, in the judgment of the Administrator, would result in a more equitable nonservice-connected pension program.
- SEC. 405. (a) The provisions of this Act, other than titles II and III and section 401, shall take effect on the date of the enactment of this Act.
- (b) Titles II and III and section 401 of this Act shall take effect January 1, 1977.

*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

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)



## Office of the White House Press Secretary

---

THE WHITE HOUSE

## FACT SHEET

H.R. 14298 - VETERANS AND SURVIVORS PENSION  
ADJUSTMENT ACT OF 1976

H.R. 14298 alters existing veteran and survivor pension programs and the parents dependency indemnity and compensation program (DIC) all of which are managed by the Veterans Administration by:

- Continuing a temporary 8 percent increase in benefits which was granted on January 1, 1976 (P.L. 94-169) that was due to lapse on September 30, 1976.
- Providing a further increase in benefits of 7 percent to be effective January 1, 1977, which would affect 2.3 million veterans, dependents and survivors.
- Mandating a study of the present veterans pensioning program to determine its adequacy and whether reform of the current program is necessary or feasible.
- Increasing the rate of a veteran's pension by 25 percent upon attainment of age seventy-eight.
- Increasing 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 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).
- The Veterans Administration estimates that enactment of H.R. 14298 will cost approximately \$432 million for fiscal year 1977.

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.

#####