

Talking Points On H.R.32 – Military Surviving Spouses Equity Act
and

H.R. 1770 – Survivor Benefits for Reserve Component (RC) Members on Inactive Duty Training (IDT) Status

H.R. 32 Background:

- H.R. 32 was introduced on 3 Jan 13 (with 97 co-sponsors) by Representative Joe Wilson (R – SC) and amends title 10, United States Code to...*“repeal the requirement for reduction of survivor annuities under the Survivor Benefit Plan for military surviving spouses to offset the receipt of veterans dependency and indemnity compensation.”*
- SBP is a type of insurance program providing 55% of the service member’s retired pay upon the retiree’s death. Enrollment occurs at the time of retirement and premiums cost 6.5% of retired pay. **Coverage is automatic for survivors of service members who die on duty.**
- Dependency and Indemnity Compensation (DIC) is a VA program providing a modest annuity of \$1,215 per month for survivors of deaths due to military service.
- Under current law, survivors who are eligible for both SBP and DIC must forfeit one dollar of their SBP annuity for every dollar of DIC received from the VA. Often the offset wipes out the SBP annuity **the military retiree paid for**. These survivors receive a proportional refund of SBP premiums, **but with no additional interest paid** and typically after many years of premium payments.
- SBP is a service member-purchased annuity, whereas DIC is an indemnity payment when military service caused the member’s death. Further, service-disabled retirees have limited opportunities to purchase additional life insurance and policies that are available impose exorbitant premiums.
- In 2008, Congress acknowledged the inequity in law, authorizing a modest Special Survivor Indemnity Allowance (SSIA) for SBP-DIC widows. In June 2009, Congress took the next step, increasing SSIA monthly payments to \$150 beginning in FY2014 and rising to \$310 in FY2017. Barring an additional law change, SSIA authority expires October 1, 2017. **Those impacted by H.R. 1770 (surviving family of IDT deaths) are not eligible for SSIA even though they are equally impacted by the DIC offset.**

Bottom Line:

- H.R. 32 and H.R. 1770 are not competing against or conflicting with each other. While both involve the Survivor Benefit Plan (SBP) and both require offsets from mandatory funds...they are otherwise distinctly separate issues.
- H.R. 32 addresses survivors who receive reduced SBP annuities because they also receive Dependency and Indemnity Compensation (DIC) from the VA. The expected costs to fix this inequity are in the billions.
- H.R. 1770 involves the dramatically lower SBP annuity payments for survivors of IDT deaths in comparison to Active Duty (AD) deaths. The expected costs to fix this inequity are \$12M over a 10 year period.
- Survivors of IDT deaths are commonly impacted by the same issue addressed in H.R. 32 since these deaths are also caused by military service. However, survivors of IDT deaths are hurt further because the amount of their SBP annuity payments are drastically lower to begin with.