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REPORT
111–24

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2009

JUNE 4, 2009.—Ordered to be printed

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

R E P O R T

[To accompany S. 407]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs (hereinafter, "Committee"), to which was referred the bill (S. 407) to increase, effective as of December 1, 2009, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute, and recommends that the bill, as amended, do pass.

INTRODUCTION

On February 10, 2009, Committee Chairman Daniel K. Akaka introduced S. 407, a bill to increase, effective as of December 1, 2009, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, and for other purposes. Committee Ranking Minority Member Richard Burr is an original cosponsor of S. 407, as are Committee Members John D. Rockefeller IV, Patty Murray, Bernard Sanders, Sherrod Brown, Jim Webb, Jon Tester, Mark Begich, Roland Burris, Arlen Specter, Johnny Isakson, Roger F. Wicker, Mike Johanns, and Lindsey Graham. Senators Frank R. Lautenberg, Blanche Lincoln, and Olympia J. Snowe were later added as cosponsors. The bill was referred to the Committee.

COMMITTEE HEARING

On April 29, 2009, the Committee held a hearing on legislation pending before the Committee. Among the measures on which the Committee received testimony was S. 407. Testimony on S. 407, among other bills, was offered by: Bradley G. Mayes, Director, Compensation and Pension Service, Veterans Benefits Administration, Department of Veterans Affairs; Raymond C. Kelley, National Legislative Director, AMVETS; Robert Jackson, Assistant Director, National Legislative Service, Veterans of Foreign Wars of the United States; and Ian DePlanque, Assistant Director, Veterans Affairs and Rehabilitation Commission, The American Legion.

COMMITTEE MEETING

On May 21, 2009, the Committee met in open session to consider legislation pending before the Committee. Among the measures so considered was S. 407. The Committee voted, without dissent, to report favorably S. 407, as amended, to the Senate.

SUMMARY OF THE COMMITTEE BILL AS REPORTED

The Committee bill contains freestanding provisions that would require the Secretary of Veterans Affairs to increase, effective December 1, 2009, the rates of, and limitations on, certain benefits paid by the Department of Veterans Affairs (hereinafter, "VA") by the same percentage as the cost-of-living adjustment (hereinafter, "COLA") provided to Social Security recipients and VA pension beneficiaries that become effective on the same date. The COLA would apply to:

1. basic compensation rates for veterans with service-connected disabilities and the rates payable for certain severe disabilities;
2. the allowance for spouses, children, and dependent parents paid to service-connected disabled veterans rated 30 percent or more disabled;
3. the annual clothing allowance paid to veterans whose compensable disability requires the use of a prosthetic or orthopedic appliance (including a wheelchair) that tends to tear or wear out clothing or requires the use of a medication prescribed by a physician for a service-connected skin condition if the medication causes irreparable damage to the veteran's outer garments; and
4. the dependency and indemnity compensation (hereinafter, "DIC") rates paid to:
   (a) surviving spouses of veterans whose deaths were service-connected;
   (b) surviving spouses for dependent children below the age of 18;
   (c) surviving spouses who are so disabled that they need aid and attendance or are permanently housebound;
   (d) surviving spouses covered under section 1318 of title 38, United States Code; and
   (e) the children of veterans whose deaths were service-connected if no surviving spouse is entitled to DIC, the child is age 18 through 22 and attending an approved educational institution, or the child is age 18 or over and be-

came permanently incapable of self-support prior to reaching age 18.

The Committee bill would also codify benefit rates that were increased as a result of the Veterans' Compensation Cost-of-Living Adjustment Act of 2008, Public Law 110–324.

BACKGROUND AND DISCUSSION

A. Disability compensation

The service-connected disability compensation program under chapter 11 of title 38, United States Code, provides monthly cash benefits to veterans who have disabilities incurred or aggravated during active duty in the Armed Forces.

The amount of compensation paid depends on the nature and severity of the veteran's disability or combination of disabilities. VA rates compensable disabilities according to its Schedule for Rating Disabilities on a graduated scale ranging from 10 to 100 percent, in 10 percent increments. VA pays higher monthly rates (known as "special monthly compensation") to disabled veterans with certain specific, very severe disabilities or combinations of disabilities.

According to VA, as set forth in its fiscal year 2010 budget, the department estimates that it will provide disability compensation to 3,154,217 veterans with service-connected disabilities in fiscal year 2010. Among the veterans estimated to receive such compensation are: 1 World War I veteran; 243,697 World War II veterans; 157,427 Korean-conflict veterans; 1,058,883 Vietnam-era veterans; 1,070,162 veterans of the Persian Gulf War era; and 612,172 veterans who served during peacetime.

A veteran with a disability rated at 30 percent or more may receive additional compensation on behalf of the veteran's spouse, children, and dependent parents. These dependents' allowances are prorated according to the percentage of disability.

B. Dependency and indemnity compensation

Under chapter 13 of title 38, United States Code, VA pays DIC to the survivors of servicemembers or veterans who died on or after January 1, 1957, from a disease or injury incurred or aggravated during military service. Survivors eligible for DIC include surviving spouses, unmarried children under the age of 18, children age 18 or older who are permanently incapable of self-support, children between the ages of 18 and 22 who are enrolled in school, and certain needy parents. Under section 5312 of title 38, United States Code, parents' DIC rates are adjusted automatically at the same time and by the same percentage as Social Security and VA pension benefits. Surviving spouses, children, and parents who are receiving death compensation based on deaths before January 1, 1957, may elect to receive DIC instead of death compensation.

For deaths on or after January 1, 1957, but prior to January 1, 1993, surviving spouses received DIC at rates determined by the pay grade (service rank) of the deceased veteran. For deaths on or after January 1, 1993, DIC is paid at a flat rate. Surviving spouses currently receive $1,154 per month and, if the deceased veteran was totally disabled for eight years prior to death, an additional $246 per month. Surviving spouses who had been receiving benefits

under the prior DIC program are paid under whichever program will pay the higher benefit.

A surviving spouse who is so disabled as to be housebound or in need of regular aid and attendance is eligible to receive an additional amount. A surviving spouse also may receive additional allowances on behalf of the veteran's surviving children.

Children are entitled to DIC if there is no surviving spouse, if they are 18 years of age or older and became permanently incapable of self-support before reaching age 18, or if they are 18 to 22 years old and pursuing an approved course of education.

Parents of deceased veterans whose incomes are below statutorily prescribed income thresholds are eligible for DIC under section 1315 of title 38, United States Code. As previously noted, parents' DIC rates are adjusted automatically at the same time and by the same percentage as Social Security and VA pension benefits.

In its fiscal year 2010 budget, VA estimates that it will pay DIC benefits to 348,335 survivors, a total that includes surviving spouses, children, and needy surviving parents.

Under section 1318 of title 38, United States Code, VA pays benefits at DIC rates to the surviving spouses and children of veterans whose deaths are not service-connected if the veteran, immediately prior to his or her death, had been receiving (or had been entitled to receive) compensation at the 100 percent rate continuously for 10 or more years or for at least five years from the date of discharge or release from active duty. VA also pays DIC benefits to the surviving spouses and children of veterans who were former prisoners of war who die after September 30, 1999, and whose deaths were not service-connected if the veterans had been receiving (or had been entitled to receive) compensation at the 100 percent rate continuously for not less than one year preceding death.

Committee bill

The Committee bill would direct VA to compute and provide increases in the monthly rates of compensation and DIC, effective December 1, 2009, if appropriate. The rates would be increased by the same percentage as the Social Security and VA pension COLA that will take effect on that date. In accordance with section 8031 of the Balanced Budget Act of 1997 (Public Law 105–33), amounts of compensation so computed that are not even multiples of $1 will be rounded down to the next lower whole dollar amount. In 2003, this provision was extended until 2013 by section 706 of Public Law 108–183.

The increases in DIC would automatically result in identical percentage increases in benefits paid at DIC rates under section 1318 of title 38, United States Code, to the surviving spouses and children of veterans who had a service-connected disability at the time of death for which they continuously were rated totally disabled for at least (1) 10 years, (2) five years from the date of discharge from active duty, or (3) one year if the veteran was a former prisoner of war who died after September 30, 1999, and whose death was not service-connected if the veteran had been receiving (or had been entitled to receive) compensation at the 100 percent rate continuously for not less than one year preceding death.

Under section 156(e)(1)(A) of Public Law 97–377, the DIC increases also would automatically result in the same percentage in-

creases in Social Security benefits that were terminated by section 2205 of the Omnibus Budget Reconciliation Act of 1981 (hereinafter, "OBRA 1981") (Public Law 97–35). Prior to OBRA 1981, those Social Security benefits had been paid to certain surviving spouses of those who died on active duty or from a service-connected disability on behalf of their children under 18 and children over age 19 who were secondary-school students; OBRA 1981 reduced the eligibility cutoff age from 18 to 16 years old.

Section 314 of Public Law 100–322 amended section 156(a)(1) of Public Law 97–377, the Further Continuing Appropriations Act of 1993, to restore the benefits eliminated by OBRA 1981. The DIC increase also would apply to these restored benefits, effective December 1, 2000.

The CBO, in its most recent baseline, estimated that there will be no Social Security COLA affecting fiscal year 2010 payments; the COLA provided for by the Committee bill will follow accordingly. The actual Social Security COLA could differ from this estimate. Rather than selecting any particular percentage adjustment at the time the Committee ordered the bill reported, the Committee followed its prior practice of setting the COLA by reference to any Social Security increase.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the CBO, estimates that enactment of the Committee bill would, relative to current law, not increase spending in 2010 or in subsequent years. Enactment of the Committee bill would not affect the budget of state, local, or tribal governments.

The cost estimate provided by CBO, setting forth a detailed breakdown of costs, follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 2, 2009.

Hon. DANIEL K. AKAKA,
Chairman,
Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 407, the Veterans' Compensation Cost-of-Living Adjustment Act of 2009.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Dwayne M. Wright.

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

S. 407—Veterans' Compensation Cost-of-Living Adjustment Act of 2009

S. 407 would increase the amounts paid to veterans for disability compensation and to their survivors for dependency and indemnity compensation by the same cost-of-living adjustment (COLA) pay-

able to Social Security recipients. The increase would take effect on December 1, 2009, and the resulting adjustment would be rounded to the next lower dollar.

The COLA that would be authorized by this bill is assumed in CBO's baseline, consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act, and savings from rounding it down were achieved by the Balanced Budget Act of 1997 (Public Law 105–33) and extended to 2013 by the Veterans Benefits Act of 2003 (Public Law 108183). Furthermore, based on its current economic forecast, CBO does not anticipate a cost-of-living increase in 2010 for Social Security; thus, CBO estimates that enacting this bill would have no impact on spending for those programs.

S. 407 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On March 25, 2009, CBO transmitted a cost estimate for H.R. 1513, the Veterans' Compensation Cost-of-Living Adjustment Act of 2009, as ordered reported by the House Committee on Veterans' Affairs on March 25, 2009. The two versions of the legislation are similar and their estimated costs are identical.

The CBO staff contact for this estimate is Dwayne M. Wright. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

Regulatory Impact Statement

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact that would be incurred in carrying out the Committee bill. The Committee finds that S. 407, as amended, would not entail any regulation of individuals or businesses or result in any impact on the personal privacy of any individuals and that the paperwork resulting from enactment would be minimal.

Tabulation of Votes Cast in Committee

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or by proxy by Members of the Committee on Veterans' Affairs at its May 21, 2009, meeting. On that date, the Committee considered and ordered reported S. 407, as amended, a bill to increase, effective as of December 1, 2009, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain disabled veterans. The Committee bill was agreed to by a vote of 14 to 0.

Yeas	Senator	Nays
X (by proxy)	Mr. Rockefeller	
X	Mrs. Murray	
X (by proxy)	Mr. Sanders	
X	Mr. Brown	
X	Mr. Webb	
X	Mr. Tester	
X	Mr. Begich	
X	Mr. Burris	
X (by proxy)	Mr. Specter	
X	Mr. Burr	
X	Mr. Isakson	
X (by proxy)	Mr. Wicker	
X	Mr. Johanns	
	Mr. Graham	
X	Mr. Akaka, Chairman	
14	TALLY	0

AGENCY REPORT

On April 29, 2009, Bradley G. Mayes, Director, Compensation and Pension Service, Veterans Benefits Administration, Department of Veterans Affairs, appeared before the Committee on Veterans' Affairs and submitted testimony on, among other things, S. 407. Excerpts from this statement are reprinted below:

STATEMENT OF BRADLEY G. MAYES, DIRECTOR, COMPENSATION AND PENSION SERVICE, VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman and members of the Committee, I am pleased to be here today to provide the Department of Veterans Affairs' (VA) views on pending benefits legislation.

* * * * * * *

S. 407, the "Veterans' Compensation Cost-of-Living Adjustment Act of 2009," would direct the Secretary of Veterans Affairs to increase administratively the rates of disability compensation for veterans with service-connected disabilities, including the additional amounts authorized for dependents and the clothing allowance, and of dependency and indemnity compensation for the survivors of veterans whose deaths are service related, effective December 1, 2009. The rates of increase would be the same as the cost-of-living adjustment that will be provided under current law to Social Security recipients. The bill would also authorize VA to adjust the rates of disability compensation payable under prior laws to persons who have not received compensation under chapter 11 of title 38, United States Code.

VA supports a cost-of-living adjustment of this nature. We believe this legislation is necessary to ensure the affected benefits against any eroding effects of inflation. The worthy beneficiaries of these benefits deserve no less.

* * * * * * *

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, changes in existing law made by the Committee bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERANS' BENEFITS

* * * * * * *

PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

* * * * * * *

Subchapter II—Wartime Disability Compensation

* * * * * * *

SEC. 1114. RATES OF WARTIME DISABILITY COMPENSATION

For the purposes of section 1110 of this title—

(a) if and while the disability is rated 10 percent the monthly compensation shall be **[**$117**]** *$123*;

(b) if and while the disability is rated 20 percent the monthly compensation shall be **[**$230**]** *$243*;

(c) if and while the disability is rated 30 percent the monthly compensation shall be **[**$356**]** *$376*;

(d) if and while the disability is rated 40 percent the monthly compensation shall be **[**$512**]** *$541*;

(e) if and while the disability is rated 50 percent the monthly compensation shall be **[**$728**]** *$770*;

(f) if and while the disability is rated 60 percent the monthly compensation shall be **[**$921**]** *$974*;

(g) if and while the disability is rated 70 percent the monthly compensation shall be **[**$1,161**]** *$1,228*;

(h) if and while the disability is rated 80 percent the monthly compensation shall be **[**$1,349**]** *$1,427*;

(i) if and while the disability is rated 90 percent the monthly compensation shall be **[**$1,517**]** *$*1,604;

(j) if and while the disability is rated as total the monthly compensation shall be **[**$2,527**]** *$2,673*;

(k) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of one or more creative organs, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, has suffered complete organic aphonia with constant inability to communicate by speech, or deafness of both ears, having absence of air and bone conduction, or, in the case of a woman veteran, has suffered the anatomical loss of 25 percent or more of tissue from a single breast or both breasts in combination (including loss by mastectomy or partial mastectomy) or has received radiation treatment of breast tissue, the rate of compensation therefor shall be **[**$91**]** *$96* per month for each such loss or loss of use independent of any other compensation provided in subsections (a) through (j) or subsection (s) of this section but in no event to exceed **[**$3,145**]** *$3,327* per month; and in the event the veteran has suffered one or more of the disabilities heretofore specified in this subsection, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by **[**$91**]** *$96* per month for each such loss or loss of use, but in no event to exceed **[**$4,412**]** *$4,667* per month;

(l) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both feet, or of one hand and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or with such significant disabilities as to be in need of regular aid and attendance, the monthly compensation shall be **[**$3,145**]** *$3,327*;

(m) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both hands, or of both legs at a level, or with complications, preventing natural knee action with prostheses in place, or of one arm and one leg at levels, or with complications, preventing natural elbow and knee action with prostheses in place, or has suffered blindness in both eyes having only light perception, or has suffered blindness in both eyes, rendering such veteran so significantly disabled as to be in need of regular aid and attendance, the monthly compensation shall be **[**$3,470**]** *$3,671*;

(n) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of both arms at levels, or with complications, preventing natural elbow action with prostheses in place, has suffered the anatomical loss of both legs so near the hip as to prevent the use of prosthetic appliances, or has suffered the anatomical loss of one arm and one leg so near the shoulder and hip as to prevent the use of prosthetic appliances, or has suffered the anatomical loss of both eyes, or has suffered blindness without light perception in both eyes, the monthly compensation shall be **[**$3,948**]** *$4,176*;

(o) if the veteran, as the result of service-connected disability, has suffered disability under conditions which would entitle such veteran to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or if the veteran has suffered bilateral deafness (and the hearing impairment in

either one or both ears is service connected) rated at 60 percent or more disabling and the veteran has also suffered service-connected total blindness with 20/200 visual acuity or less, or if the veteran has suffered service-connected total deafness in one ear or bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at 40 percent or more disabling and the veteran has also suffered service-connected blindness having only light perception or less, or if the veteran has suffered the anatomical loss of both arms so near the shoulder as to prevent the use of prosthetic appliances, the monthly compensation shall be **[**$4,412**]** *$4,667*;

(p) in the event the veteran's service-connected disabilities exceed the requirements for any of the rates prescribed in this section, the Secretary may allow the next higher rate or an intermediate rate, but in no event in excess of **[**$4,412**]** *$4,667*. In the event the veteran has suffered service-connected blindness with 5/200 visual acuity or less and (1) has also suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at no less than 30 percent disabling, the Secretary shall allow the next higher rate, or (2) has also suffered service-connected total deafness in one ear or service-connected anatomical loss or loss of use of one hand or one foot, the Secretary shall allow the next intermediate rate, but in no event in excess of **[**$4,412**]** *$4,667*. In the event the veteran has suffered service-connected blindness, having only light perception or less, and has also suffered bilateral deafness (and the hearing impairment in either one or both ears is service connected) rated at 10 or 20 percent disabling, the Secretary shall allow the next intermediate rate, but in no event in excess of **[**$4,412**]** *$4,667*. In the event the veteran has suffered the anatomical loss or loss of use, or a combination of anatomical loss and loss of use, of three extremities, the Secretary shall allow the next higher rate or intermediate rate, but in no event in excess of **[**$4,412**]** *$4,667*. Any intermediate rate under this subsection shall be established at the arithmetic mean, rounded down to the nearest dollar, between the two rates concerned;

(r) Subject to section 5503(c) of this title, if any veteran, otherwise entitled to compensation authorized under subsection (o) of this section, at the maximum rate authorized under subsection (p) of this section, or at the intermediate rate authorized between the rates authorized under subsections (n) and (o) of this section and at the rate authorized under subsection (k) of this section, is in need of regular aid and attendance, then, in addition to such compensation—

(1) the veteran shall be paid a monthly aid and attendance allowance at the rate of **[**$1,893**]** *$2,002*; or

(2) if the veteran, in addition to such need for regular aid and attendance, is in need of a higher level of care, such veteran shall be paid a monthly aid and attendance allowance at the rate of **[**$2,820**]** *$2,983*, in lieu of the allowance authorized in clause (1) of this subsection, if the Secretary finds that the veteran, in the absence of the pro-

vision of such care, would require hospitalization, nursing home care, or other residential institutional care.

For the purposes of clause (2) of this subsection, need for a higher level of care shall be considered to be need for personal health-care services provided on a daily basis in the veteran's home by a person who is licensed to provide such services or who provides such services under the regular supervision of a licensed health-care professional. The existence of the need for such care shall be determined by a physician employed by the Department or, in areas where no such physician is available, by a physician carrying out such function under contract or fee arrangement based on an examination by such physician. For the purposes of section 1134 of this title, such allowance shall be considered as additional compensation payable for disability.

(s) If the veteran has a service-connected disability rated as total, and (1) has additional service-connected disability or disabilities independently ratable at 60 percent or more, or, (2) by reason of such veteran's service-connected disability or disabilities, is permanently housebound, then the monthly compensation shall be **[**$2,829**]** *$2,993*. For the purpose of this subsection, the requirement of "permanently housebound" will be considered to have been met when the veteran is substantially confined to such veteran's house (ward or clinical areas, if institutionalized) or immediate premises due to a service-connected disability or disabilities which it is reasonably certain will remain throughout such veteran's lifetime.

SEC. 1115. ADDITIONAL COMPENSATION FOR DEPENDENTS

* * * * * * *

(1) If and while rated totally disabled and—

(A) has a spouse but no child, **[**$142**]** *$150*;

(B) has a spouse and one or more children, **[**$245**]** *$259* plus **[**$71**]** *$75* for each child in excess of one;

(C) has no spouse but one or more children, **[**$96**]** *$101* plus **[**$71**]** *$75* for each child in excess of one;

(D) has a parent dependent upon such veteran for support, then, in addition to the above amounts, **[**$114**]** *$120* for each parent so dependent;

(E) notwithstanding the other provisions of this paragraph, the monthly payable amount on account of a spouse who is (i) a patient in a nursing home or (ii) blind, or so nearly blind or significantly disabled as to need or require the regular aid and attendance of another person, shall be **[**$271**]** *$286* for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this section; and

(F) notwithstanding the other provisions of this paragraph, the monthly amount payable on account of each child who has attained the age of eighteen years and who is pursuing a course of instruction at an approved educational institution shall be **[**$227**]** *$240* for a totally disabled veteran and proportionate amounts for partially dis-

abled veterans in accordance with paragraph (2) of this section.

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Subchapter VI—General Compensation Provisions

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SEC. 1162. CLOTHING ALLOWANCE

The Secretary under regulations which the Secretary shall prescribe, shall pay a clothing allowance of **[**$677**]** *$716* per year to each veteran who—

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

* * * * * * *

Subchapter II—Dependency and Indemnity Compensation

* * * * * * *

SEC. 1311. DEPENDENCY AND INDEMNITY COMPENSATION TO A SURVIVING SPOUSE

(a)(1) Dependency and indemnity compensation shall be paid to a surviving spouse at the monthly rate of **[**$1,091**]** *$1,154*.

(2) The rate under paragraph (1) shall be increased by **[**$233**]** *$246* in the case of the death of a veteran who at the time of death was in receipt of or was entitled to receive (or but for the receipt of retired pay or retirement pay was entitled to receive) compensation for a service-connected disability that was rated totally disabling for a continuous period of at least eight years immediately preceding death. In determining the period of a veteran's disability for purposes of the preceding sentence, only periods in which the veteran was married to the surviving spouse shall be considered.

(3) * * *

[Pay grade	Monthly rate	Pay grade	Monthly rate
[E–1	$1,091	W–4	$1,305
E–2	$1,091	O–1	$1,153
E–3	$1,091	O–2	$1,191
E–4	$1,091	O–3	$1,274
E–5	$1,091	O–4	$1,349
E–6	$1,091	O–5	$1,485
E–7	$1,129	O–6	$1,674
E–8	$1,191	O–7	$1,808
E–9	[1] $1,242	O–8	$1,985
W–1	$1,153	O–9	$2,123
W–2	$1,198	O–10	[2] $2,328
W–3	$1,234		

[[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $1,342.

[[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $2,499.]

Pay grade	*Monthly rate*	*Pay grade*	*Monthly rate*
E–1	*$1,154*	*W–4*	*$1,380*
E–2	*$1,154*	*O–1*	*$1,219*
E–3	*$1,154*	*O–2*	*$1,260*
E–4	*$1,154*	*O–3*	*$1,347*
E–5	*$1,154*	*O–4*	*$1,427*
E–6	*$1,154*	*O–5*	*$1,571*
E–7	*$1,194*	*O–6*	*$1,771*
E–8	*$1,260*	*O–7*	*$1,912*
E–9	*[1] $1,314*	*O–8*	*$2,100*
W–1	*$1,219*	*O–9*	*$2,246*
W–2	*$1,267*	*O–10*	*[2] $2,463*
W–3	*$1,305*	.....	.....

[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $1,419.

[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $2,643.

(b) If there is a surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increased by [$271] *$286* for each such child.

(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by [$271] *$286* if the spouse is (1) a patient in a nursing home or (2) blind, or so nearly blind or significantly disabled as to need or require the regular aid and attendance of another person.

(d) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by [$128] *$135* if the surviving spouse is, by reason of disability, permanently housebound but does not qualify for the aid and attendance allowance under subsection (c) of this section. For the purposes of this subsection, the requirement of "permanently housebound" will be considered to have been met when the surviving spouse is substantially confined to such surviving spouse's home (ward or clinical areas, if institutionalized) or immediate premises by reason of a disability or disabilities which it is reasonably certain will remain throughout such surviving spouse's lifetime.

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SEC. 1313. DEPENDENCY AND INDEMNITY COMPENSATION TO CHILDREN

(a) Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency

and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

(1) one child, [$462] *$488*;

(2) two children, [$663] *$701*;

(3) three children, [$865] *$915*; and

(4) more than three children, [$865] *$915*, plus [$165] *$174* for each child in excess of three.

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SEC. 1314. SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION TO CHILDREN

(a) In the case of a child entitled to dependency and indemnity compensation who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, the dependency and indemnity compensation paid monthly to such child shall be increased by [$271] *$286*.

(b) If dependency and indemnity compensation is payable monthly to a person as a surviving spouse and there is a child (of such person's deceased spouse) who has attained the age of eighteen and who, while under such age, became permanently incapable of self-support, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of dependency and indemnity compensation to the surviving spouse, in the amount of [$462] *$488*.

(c) If dependency and indemnity compensation is payable monthly to a person as a surviving spouse and there is a child (of such person's deceased spouse), who has attained the age of eighteen and who, while under the age of twenty-three, is pursuing a course of instruction at an educational institution approved under section 104 of this title, dependency and indemnity compensation shall be paid monthly to each such child, concurrently with the payment of dependency and indemnity compensation to the surviving spouse, in the amount of [$230] *$243*.

SEC. 1315. DEPENDENCY AND INDEMNITY COMPENSATION TO PARENTS

(a) * * *

(b)(1) Except as provided in paragraph (4) of this subsection, if there is only one parent, the monthly rate of dependency and indemnity compensation paid to such parent shall be [$163] *$569*, as increased from time to time under section 5312(b)(1) of this title and reduced by an amount, based upon the amount of such parent's annual income, determined in accordance with regulations which the Secretary shall prescribe under section 5312(b)(2) of this title.

(2) * * *

(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 [$4,038] *$13,456*, as increased from time to time under section 5312 of this title.

(4) * * *

(c)(1) Except as provided in subsection (d) of this section, if there are two parents, but they are not living together, the monthly rate of dependency and indemnity compensation paid to each such parent shall be [$115] *$412*, as increased from time to time under sec-

tion 5312(b)(1) of this title and reduced by an amount, based upon the amount of such parent's annual income, determined in accordance with regulations which the Secretary shall prescribe under section 5312(b)(2) of this title.

(2) * * *

(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 **[**$4,038**]** *$13,456*, as increased from time to time under section 5312 of this title.

(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, the monthly rate of dependency and indemnity compensation paid to such parent shall be **[**$109**]** *$387*, as increased from time to time under section 5312(b)(1) of this title and reduced by an amount, based upon the amount of the combined annual income of the parents or the parent and the parent's spouse, determined in accordance with regulations which the Secretary shall prescribe under section 5312(b)(2) of this title.

(2) * * *

(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 **[**$5,430**]** *$18,087*, as increased from time to time under section 5312 of this title.

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(g) The monthly rate of dependency and indemnity compensation payable to a parent shall be increased by **[**$85**]** *$308*, as increased from time to time under section 5312 of this title, if such parent is (1) a patient in a nursing home or (2) blind, or so nearly blind or significantly disabled as to need or require the regular aid and attendance of another person.

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