

November 23, 2015

The Honorable Nikki R. Haley  
Office of the Governor  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Governor Haley,

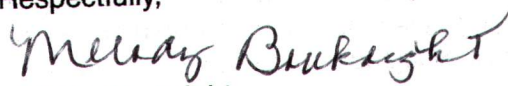
I am writing this letter to ask for your help. Representative Joe Wilson is sponsoring HR1594: Military Spouses Equity Act which so far has 170 co-sponsors. It has been assigned to the House Armed Services Committee for consideration as of March 24, 2015. HR1594 needs much much more support to be passed into law. Could you please use your considerable influence by supporting this bill publicly and ask that our elected officials in Congress do the same?

I am a victim of what this bill seeks to correct, which is allowing concurrent receipt of Disability Indemnity Compensation (DIC) and Survivor Benefit Protection (SBP) for surviving military spouses. My beloved husband, John, died July 3, 2015, of a service connected disability. I was stunned to learn that I would not be receiving SBP, which is a joint and survivor annuity that my husband paid for, because of the offset of the DIC. I have not submitted my claim for SBP because DFAS would return the premiums paid - at no interest and less taxes. As long as there is hope that I can get the annuity my husband paid for, I do not want to submit the paperwork relinquishing my benefit.

Our state has multiple military bases and posts, and a large retiree population as well. I am not the only survivor affected by this travesty. I think if people, our elected officials specifically, realized how difficult the financial realities are for surviving families of deceased disabled active duty and veterans, they would act on HR1594. We lose so much more than our loved one. Our Nation appreciates the veterans, and rightfully so, but the families behind the veterans also serve along side their soldiers, sailors, and airmen. When my husband retired from the Navy, I was awarded a certificate of appreciation. However, most tax exemptions and discounts extended to veterans do not extend to spouses, so they go away when our veteran passes. Legislation passed in 2004 that allowed concurrent receipt of military pay and disability compensation for veterans did not include surviving spouses, so we lose our income and our expenses increase. We sacrifice our opportunities for careers because we move often and then we care for our loved one when their service to their country takes their health.

I am attaching the background documentation that with the help of friends, I have circulated via email and social media. I have also written to both Senator Graham and Representative Wilson. I have talked to staff members in Rep. Wilson's office. I joined the Gold Star Wives Of America, chartered by Congress, whose mission it is to provide support to widows which includes government legislation that affects us. I have to believe that if people know about this, then HR1594 would be passed. Will you please help me and other surviving military spouses by supporting HR1594? Thank you for your consideration.

Respectfully,

  
Melody Bouknight  
Wife of the late ENCS John L. Bouknight

attachments



## **Military Families Need Your Help! Read on and Act.**

Dear Family, Friends, and Fellow Military Families,

When my beloved husband John died in July of this year from a service connected illness, I was stunned to find out that I would not be getting the survivor annuity that he paid for for over 30 years. A benefit he was told would guarantee his wife an income for the rest of her life.

This could happen to almost any family of a service member, active duty and retired, who has died from an injury or illness caused from their service to their country. Please do not let this happen to your family or friends that you care about that are military families.

There is a bill, HR 1594: Military Surviving Spouses Equity Act, currently being sponsored for consideration in the House of Representatives that can fix this devastating problem. It has been put forth in other bills since 2010 and has not been passed. Please help me create the momentum it will take to get HR 1594 passed into law. Contact as many people as you can as many ways as you can! Urge your congressmen and senators to support the bill. For complete information on the bill, go to [www.govtrack.us](http://www.govtrack.us). To learn more about the devastating financial impact to military survivors, go to <http://moaablogs.org/spouse/2013/07/survivors-need-your-support/>.

Thank you all so very much.

Sincerely,  
Melody Bouknight

*Note: This is the Email and first post on Facebook that I circulated.*



*Note: This document explains the SBP/DIC Offset as well as its legislative history. I posted an excerpt of this on Facebook.*

Search THOMAS for Legislation

Home About the Committee News Hearings Legislation Documents Videos Links  
Democrats' Web Site Contact Information  
Hearings

Non-Archived Hearings

Hearing Archives

Hearings » Joint House and Senate Veterans' Affairs Committees Hearing to Receive  
Legislative Presentations of AMVETS, JWV, MOAA, GSW, BVA, NCOA, IAVA, FRA

Statement of Vivianne Cisneros Wersel, Au.D.

Chair, Government Relations Committee  
Gold Star Wives of America, Inc.

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the nation's wounds, to care for him who has borne the battle, his widow and his orphan."

...President Abraham Lincoln, Second Inaugural Address, March 4, 1865

Madam Chair Murray, Chairman Miller, Ranking Members Burr and Filner, and Members of both the Senate and House Committees on Veterans Affairs, I am pleased to be here today to testify on behalf of Gold Star Wives on legislative issues pertinent to our nation's military widows and widowers. My name is Vivianne Wersel, Chair of the Gold Star Wives' Government Relations Committee. I am the widow of Lt. Col. Richard Wersel, Jr., USMC, who died suddenly on February 4, 2005, one week after returning from his second tour of duty in Iraq.

Gold Star Wives of America, Incorporated (GSW), founded in 1945, is a Congressionally Chartered organization of widows and widowers of military members who died while serving on active duty or as a result of a service-connected disability. GSW is an all-volunteer organization encompassing approximately 10,000 members.

Our primary mission is to support Gold Star Wives after the death of their loved one and a place to connect with other widows. We also provide information about military survivor benefits and assist widows experiencing difficulties accessing their benefits. We strive to raise the awareness of Congress, the public, the military community and Gold Star Wives to the many inequities existing in our survivor programs and benefits. Many of our members volunteer in Department of Veterans Affairs (VA) hospitals and clinics and also visit service members hospitalized at Department of Defense (DoD) medical treatment facilities.

GSW's current members are widows and widowers of military members who served during World War II, the Korean War, the Vietnam War, the Gulf War, the conflicts in both Iraq and Afghanistan, and every period in between. For this written testimony, we will refer to all of members as widows.



GSW's most important legislative issues are as follows:

#### I. Increase Dependency and Indemnity Compensation (DIC)

In 1956, Dependency and Indemnity Compensation (DIC) was established by the Servicemen's and Veteran's Survivor Benefit Act. The purpose of DIC is an indemnity payable to survivors when a military member dies as a result of a service-connected cause.

GSW seeks parity with other Federal survivor programs when calculating DIC. This affects more than 330,000 widows.

DIC is currently paid to widows at 43% of the VA Compensation received by the veteran with a 100% service-connected disability. Other Federal survivor programs provide 55% of the disability pay of the Federal employee to the widow. Bringing DIC's computation to 55% would provide parity with other Federal survivor programs and would increase DIC by approximately \$300 per month.

Why military widows are forced to accept a lower percentage than other Federal survivor programs is incomprehensible to GSW. In addition, DIC has had no increase since 1993, 18 years since the flat-rate replaced the ranked-based DIC.

The continued economic stresses our country is now enduring places widows one step away from a car that stops running or an unpaid house payment or utility bill. Many of our elderly widows are in financial distress, unable to pay for food and utilities. Equalizing the computation of DIC would offer some relief from worry and would improve financial independence and confidence for GSW members. The increase in DIC should not subject the SBP to further offset.

GSW recently received a call from an elderly DIC widow inquiring why the DIC payment has not changed in years. When explained that DIC would increase if there was a Cost of Living Allowance (COLA) increase, she stated that whoever determines COLA apparently never visited her town because her rent, gas and electric has increased and so has the price of milk and bread. She then said, "I can't cut any more corners." These types of calls are received frequently from our members.

Congress should make the ethical decision now to change the DIC compensation to 55% which is afforded other Federal survivors.

#### II. Elimination of the Dependency and Indemnity Compensation (DIC) Offset To the Survivor Benefit Plan (SBP)

GSW strongly supports the complete elimination of the SBP/DIC offset. We are grateful for the support of many Members of Congress, including most of you here, as this issue has been brought before Congress for eleven years. We respectfully request Congress eliminate the SBP/DIC offset immediately.

Two Survivor Programs



Congress created two programs for survivors of our military members. In 1956, Dependency and Indemnity Compensation (DIC) was established by the Servicemen's and Veteran's Survivor Benefit Act. The purpose of DIC is an indemnity payable to survivors when a military member dies as a result of a service-connected cause.

In 1972, Congress created the Survivor Benefit Plan (SBP). The purpose of SBP is to insure that a portion of the military member's retirement will be provided to the surviving widow after the military member's death.

Two different plans, two very different purposes, one paid by retiree premiums or an active duty military member's life and the other paid by the Department of Veterans Affairs.

#### **GSW Membership and SBP/DIC OFFSET**

GSW encompasses approximately 10,000 DIC recipients. Some of our members are eligible for and receive SBP. For those widows who receive SBP, either their retired military member chose to purchase SBP at their retirement or their military member died while on active duty.

When a widow is eligible for both SBP and DIC, the widow becomes subject to the "widow's tax" -- a dollar-for-dollar reduction in the SBP by the amount of DIC received. Military members dying on active duty did not pay premiums. (Prior to 9/11, a service member dying on active duty had to be retirement eligible for his survivor to receive SBP without payment of premiums.) Their widows became eligible for SBP on the date of their active duty death. Retired military members chose to purchase SBP and pay premiums with hard-earned retirement. Until 2005 and the implementation of concurrent receipt, some disabled retirees received no retirement pay with which to pay premiums. Many were forced to pay from disability compensation. The offset, never mentioned to the military member, only becomes visible to their widow once the military member has died.

Widows impacted by the DIC offset to their SBP are quite often shocked to learn they are subject to an offset. Completely unaware of the offset and how it would affect them financially forces them to make many hard adjustments in their day-to-day lives to accommodate the offset's effects.

A widow from NC called GSW and asked if the offset would be removed soon, she is 94. She desires a better quality of life and to move to an assisted living facility where her daughter lives but she cannot afford to move unless her annuity is paid in full.

#### **Band-Aid Fixes**

Congress has chosen not to eliminate the offset for eleven years for the small group of widows impacted by the offset. Instead, Congress further divided and subdivided this small group with Band-Aid fixes for the offset. Three of the Band-Aid fixes, also called options, create even more confusion about benefits and who is eligible and often do little to eliminate the financial distress initially caused by the offset in the first place. Even reporting these options and their consequences to Congressional members is difficult as they do not understand the impact, ramifications and end-result these options caused. The options are outlined below.



First, the reassignment of a spouse's SBP to her children. In 2003, a new law passed, P.L. 108-136, authorizing active duty widows the ability to assign the SBP annuity to their children, if any, permanently forfeiting any right the widow had to SBP. This reassignment allows full receipt of SBP by the child(ren) without offset until they reach the age of majority, when the benefit terminates. The widow is forced to make this decision very soon after notification of her spouse's death and her decision then becomes irrevocable. Complications from this new law often require that the widow be granted guardianship of her own child(ren) by a court of law. A widow whose husband died in retirement is not eligible for this option.

Second, remarriage. In August 2009, the U.S. Court of Appeals in the matter of Sharp, et.al. v. The United States, 82 Fed. Cl. 222 (2008), ruled that DIC payments may not be deducted from SBP annuities if a person, entitled to both benefits has remarried after age 57. It does not make sense to have two separate standards in the law, one that allows payment of full SBP and DIC for widows who remarry after age 57 and another forcing a dollar-for-dollar offset between the SBP and DIC for all others. GSW is concerned that the Federal government now requires a remarriage in order for an annuity to be paid in full.

Third, Special Survivor Indemnity Allowance (SSIA). The NDAA FY2008 established a Special Survivor Indemnity Allowance for widows who are the beneficiary of the SBP annuity and their SBP annuity is partially or fully offset by the DIC. The SSIA also applies to the widows of members who died on active duty whose SBP annuity is partially or fully offset by their DIC. SSIA began at \$50 per month and increases each fiscal year until 2017, when the SSIA terminates.

Another GSW member inquired recently whether the SBP/DIC offset would be removed within her lifetime. She is quite elderly and she stated that the odds of her remarrying are not favorable. She does not own a computer so online dating is not an option for her. The only response we could give her is to have faith and hope Congress will eliminate this offset soon.

#### VDBC and Concurrent Receipt

Approximately 54,000 surviving spouses are eligible for both SBP and DIC. The Veterans Disability Benefits Commission, created by Congress in 2004 to review the benefits provided to the disabled and their surviving spouses, recommended the elimination of the DIC offset to SBP as one of their top priorities for Congress -- and they referred to this issue as "survivor concurrent receipt." Six years ago, concurrent receipt was applied to military members who are 100% disabled, enabling them to receive both VA compensation and military retirement pay in full. Logically, this should have applied to the surviving spouse at the same time -- death should have been included in the 100% disabled category for survivor concurrent receipt as well.

GSW understands that Congress does not permit the private sector or other Federal benefit programs to reduce or terminate retired annuities because the survivor is also eligible for DIC. So it begs to question, how can the full receipt of SBP and DIC be considered double dipping when in 2004 it was determined by Congress that the 100% disabled would receive their full retirement and disability compensation payments? Survivor compensation is provided to widows based on the military member who is rated at 100% disabled. There is no greater disability than death.

#### SBP/DIC Offset Conclusion



Senator Bill Nelson stated simply for the record before the Senate Armed Services Committee Personnel Subcommittee Hearing on March 10, 2010, "To truly honor our service members, we all agree that the U.S. Government must take care of our veterans, their widows and orphans. In keeping with that moral principle, we must repeal the unjust offset that denies widows and orphans the annuity their deceased loved ones have earned on active duty or purchased for them...Our efforts have been important steps in the right direction, but they are not enough. We must meet our obligation to the widow and orphan with this same sense of honor as was the service their loved one had rendered. We must completely eliminate the SBP-DIC offset."

GSW is heartened by all the support and legislation introduced to fix the "widow's tax" over the past eleven years; however, we are perplexed that none of it has led to the necessary change -- the complete elimination of the SBP/DIC offset. Even the Veterans Disability Benefits Commission, chartered by Congress, recommended the elimination of the offset in its top six priorities for Congress. Military widows have done all that is asked of them over the years and have worked tirelessly to educate the government, the public and military communities and new members to our own membership. They followed all the advice provided by Congress to get the word out to the public, garner support within Congress and have had numerous champions sponsor legislation to end this offset but to no avail. Our champions retire, widows die and the offset still remains. We watch as other programs are easily funded that do not impact the quality of life for their recipients. We wait and wait. It is time to do the right thing, eliminate the DIC offset to the SBP this session.

Gold Star Wives would like to thank Senator Bill Nelson and Representative Joe Wilson for introducing S. 260 and H.R. 178, respectively, to eliminate the SBP-DIC Offset.

### III. EDUCATION BENEFITS

GSW seeks an increase in the monthly stipend for Chapter 35 benefits as it has not kept current with the increases in educational tuition and fees. While tuition increases vary state-by-state, all have increased, some dramatically. A housing allowance also should be included with the Chapter 35 education benefits.

GSW further requests that the New G.I. Bill allow the transfer of education benefits to a qualified widow or child who is not eligible for the Gunnery Sergeant John David Fry Scholarship Program (Fry Scholarship).

GSW is greatly encouraged by the Fry Scholarship and requests this program be included in the Yellow Ribbon Education Program (Yellow Ribbon Program). The Yellow Ribbon Program does not currently apply to children of the fallen, yet it would help ensure these children have a brighter future. We believe this was an oversight when the Fry Scholarship was created with the intention of matching education benefits to mirror the New G.I. Bill.

Additionally, many encounter a problem transitioning from Chapter 35 education benefits to the Fry Scholarship which greatly delayed payments. We are willing to work with both the Senate and House VA Committees to help rectify this unique problem and the backlog experienced with the Chapter 35 education benefit.



GSW is grateful and appreciates that surviving children have access to an education program that is above and beyond Chapter 35 through the Fry Scholarship. However, many other surviving children do not qualify for this scholarship and are in need of more adequate support. We would appreciate the opportunity to work with the VA to help remediate these issues and avoid future problems that we have experienced when using the benefits.

GSW requests that the time period for eligibility to utilize Chapter 35 education benefits for military widows of retirees who died of a service connected cause be extended from ten (10) to twenty (20) years. This extension would allow all military widows a greater opportunity to use the education benefit and improve their quality of life. In addition, it brings into alignment the time period for widows of both active duty deaths and widows of retirees who died of a service connected cause.

#### **IV. REMARRIAGE AT AGE 55**

In 2003, Congress approved legislation allowing survivors who remarried after the age of 57 to retain their DIC benefits. GSW seeks a reduction to age 55 so that it is consistent with other Federal survivor programs.

Survivors who remarry at age 55 retain CHAMPVA – the VA's health insurance program. Both the DoD Survivor Benefit Plan and the Federal Employee Survivor Benefit Plan allow survivors to remarry at age 55 and retain those benefits. GSW seeks to have the remarriage age reduced from age 57 to age 55 for military widows.

#### **V. CHAMPVA DENTAL AND VISION INSURANCE PLANS**

Congress recently enacted legislation requiring the Department of Veterans Affairs to provide access to dental and vision insurance plans through the CHAMPVA health insurance program. Eighteen months has passed and the policy is not yet in place. CHAMPVA recipients need access to both dental and vision insurance plans to maintain their overall health.

GSW is thankful for this needed piece of legislation for our widows and children but we are perplexed and concerned at the length of time which has passed without implementation.

#### **VI. OTHER ISSUES**

GSW is appreciative for the introduction of following legislation:

H.R. 28. Veterans Outreach Improvement Act of 2011, introduced by Representative Mike McIntyre, to amend title 38, United States Code, to improve the outreach activities of the Department of Veterans Affairs, and for other purposes. Directs the Secretary of Veterans Affairs to establish, maintain, and modify as necessary, procedures for ensuring the effective coordination of outreach activities, including outreach to survivors of veterans, of the Department of Veterans Affairs.

H.R. 115. Representative Bob Filner introduced the CHAMPVA Children's Protection Act of 2011, to amend title 38, United States Code, to increase the maximum age for children eligible for medical care under the CHAMPVA program to age twenty-six. This will bring the medical



benefit available under CHAMPVA in line with TRICARE coverage for military dependents and civilian young adults under the Health Care Reform Act.

H.R. 120. The Disabled Veterans' Surviving Spouses Home Loans Act introduced by Representative Virginia Foxx to amend title 38, United States Code, to provide for eligibility for housing loans guaranteed by the Department of Veterans Affairs for the surviving spouses of certain totally disabled veterans.

H.R. 493. Military Retiree Survivor Comfort Act introduced by Representative Walter B. Jones to amend title 10, United States Code, to provide for forgiveness of certain overpayments of retired pay paid to deceased retired members of the Armed Forces following their death.

## VII. RECOGNIZING GOLD STAR WIVES

Gold Star Wives thanks Senator Burr, NC, for sponsoring legislation for a Gold Star Wives Day in 2010. The recognition of widows' service to our Nation was truly appreciated. These same widows and widowers served beside their military member silently, determined and unwavering despite hazardous duty, multiple deployments, numerous family moves, serving as both parents to their children, and through the loss of longevity in their own chosen careers. Many widows and widowers were full-time caretakers for their military members. Often back-breaking work and enduring financial hardships, these caretakers saved the government untold hundreds of thousands of dollars in nursing and hospital care, usually to the detriment of their own health. It is a shame these same selfless widows and widowers rarely receive accolades or honorable mentions in speeches or written statements made by our political or military leaders. We ask that you include Gold Star Wives in your speeches, written statements and honorable mentions today and into the future.

\* \* \* \* \*

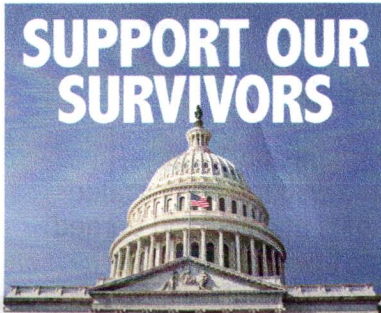
This testimony began with GSW's two most critical issues – the DIC computation increase and the elimination of the SBP/DIC offset. Included are several other priority issues for GSW that are not unfamiliar to Congress. We request your support in caring for our widows and widowers as they look to GSW as their support and their voice in Congress. We are the vanguards with changing the inequities in military survivor benefits, educating the public and military communities, as well as, educating Congress on the needs of our members. Without your support there is no hope for our members.

Secretary of Veterans Affairs Eric K. Shinseki has said, "Taking care of survivors is as essential as taking care of our Veterans and military personnel. By taking care of survivors, we are honoring a commitment..." made to them. I believe that you who serve on these two committees feel similarly. Let us work to make this statement one of action and not just rhetoric.

I appreciate the opportunity to be here and am happy to answer any and all questions. Thank you.



As you can see by the date, this issue is not unknown.  
Why won't they listen???



<http://moaablogs.org/spouse/2013/07/survivors-need-your-support/>

Jul 05 2013

Published by Karen at 10:39 am under Legislation, Veterans

survivors2

It has been said a great nation will be judged by how it treats its veterans.

As a military spouse, I would add a great nation will be judged by how it treats the families who survive the loss of a servicemember while on active duty, or even after.

This isn't about yellow ribbons and platitudes. It's about the financial realities survivors face when a loved one dies as a result of military service.

There are two benefits designed to provide financial compensation to eligible survivors: The Survivor Benefits Plan (SBP) and Dependency Indemnity Compensation (DIC).

**The Survivor Benefits Plan (SBP)**

Upon retirement, a servicemember can choose to enroll in the Survivor Benefit Plan (SBP), an annuity designed to provide an eligible survivor with up to 55% of the service member's retiree pay. SBP is not free and a premium is deducted each month from a servicemember's retiree pay.

This benefit is elected and paid for by the servicemember to secure a portion of retirement pay for a surviving spouse. Automatic coverage is extended to survivors of servicemembers who die on active duty.

**Dependency Indemnity Compensation (DIC)**

DIC is paid by the Veteran's Administration (VA) to the surviving spouse or child of an active duty or retired servicemember who dies from a service-caused condition. It provides a modest monthly annuity.

It is paid as compensation by the VA when military service cause a servicemembers death.

But there is a big problem for our survivors

Under current law, survivors that are eligible to receive both benefits (the SBP annuity they paid for with their premiums and government compensation for a service member's service-



connected death) quickly learn they cannot collect both benefits. One benefit (DIC) offsets the other (SBP) – dollar for dollar– leaving many of our survivors stunned, angry, and financially strapped, potentially for a lifetime. (In this case, offset means that one benefit is reduced dollar for dollar for every dollar received in the other benefit.) The total cannot exceed a set amount.

## **Shock and Anger Across Generations**

The reality of the offset is shocking and it is felt across generations of military.

“Just last year, my husband Major (USA) Paul C. Voelke was killed in Afghanistan,” Traci Maultasch Voelke shared with us. “Shortly after his death I was presented with the complicated survivor benefit structure. I was handed a spreadsheet showed the benefits my husband earned through the SBP based on his 14 years of service, and then told I wouldn’t be getting those benefits, they would be reduced dollar for the dollar by the Veteran’s Affairs benefits. Through my network, I learned those most military spouses today are unaware of the survivor benefits and how their families are affected.”

Martha Douthit was raising two teenagers when her husband, an Army officer was killed during the first Gulf War in 1991. “My husband never would have believed his being killed in wartime would cause the military to cut my SBP by over \$1200 a month. That happens because the DIC offsets the SBP.”

Tom Synder served in the U.S. Army for 20 years, and took out SBP for his wife, Janet, in 1978 when he retired. During his retirement he became ill due to Agent Orange in Vietnam (1969 – 1970). According to Janet, SBP premiums were subtracted from his military retirement pay for 30 years, “to give me a life insurance annuity guaranteed by the U.S. government. It was a shock to learn that there was an “offset” in benefits.” Jane is left to wonder, “What kind insurance annuity would deny full benefits of the plan, just because the survivor was receiving benefits from another insurance contract?”

## **The SBP-DIC Offset is Wrong**

No other federal surviving spouse is required to forfeit his or her federal annuity because military service caused their sponsor’s death.

Yet, our government makes the very people that have sacrificed the most pay, yet again! The current offset is wrong and should be eliminated for all SBP-DIC Survivors.

## **Now is the Time for Action**

“There but by the grace of God go I.”

We must stand alongside those that have already sacrificed so much and fight to have this offset repealed. Will you join me?

On July 17th, MOAA will Storm the Hill to educate Congress on the SBP/DIC Issue and its impact on surviving spouses and their families.

## **Not in the Capitol region?**



Currently, there are two bills in Congress that would repeal the offset of DIC payments from SBP annuities, in the belief that when service caused the death, the VA indemnity payment should be added to the normal SBP annuity, not subtracted from it.

Add your voice to ours and send a message to your Representative and your Senators. Ask them to support the bills that would repeal the offset of DIC payments from SBP annuities. The best part is you can personalize it! And, be sure to share it with your friends. Every voice counts.

Karen serves as a Deputy Director, Government Relations (Military Family Issues)

- See more at: <http://moaablogs.org/spouse/2013/07/survivors-need-your-support/#.dpuf>