



T H E M I L I T A R Y C O A L I T I O N

201 North Washington Street
Alexandria, Virginia 22314
(703) 838-8113

January 14, 2005

The Honorable Bill Nelson
United States Senate
Washington, DC 20510

Dear Senator Nelson:

The Military Coalition (TMC), a consortium of nationally prominent military and veterans organizations, representing more than 5.5 million members plus their families and survivors, is writing in support of your intent to introduce legislation in the 109th Congress that would address two significant problems with the military Survivor Benefit Plan (SBP). The first is the dollar-for-dollar deduction of VA benefits for service-connected deaths from the survivors' SBP annuities. The second is the delayed effective date of 30-year paid-up SBP coverage, which imposes undue financial penalties on the earliest SBP enrollees. These remaining survivor benefit inequities are a top legislative goal for TMC in 2005.

We support your view that if military service caused a retired member's death, the Dependency Indemnity Compensation (DIC) the VA pays the survivor should be added to the SBP benefits the retiree paid for, not substituted for them. In the case of members killed on active duty, a surviving spouse with children can avoid the dollar-for-dollar offset only by assigning SBP to the children. But that forces the spouse to give up any SBP claim after the children attain their majority – leaving the spouse with less than a \$1,000 monthly annuity from the VA. Surely, those who give their lives for their country deserve fairer compensation for their surviving spouses.

As for paid-up SBP, the 2008 effective date in existing law allows those who retired after 1978 to stop paying SBP premiums once they have paid for 30 years and attained age 70. But tens of thousands of "Greatest Generation" retirees who signed up for SBP as early as 1972 – and who paid nearly two decades of higher premiums before the premium reduction in 1990 – will have to pay premiums for up to 36 years. TMC supports your initiative to remedy this inequity by advancing the effective date to October 1, 2005.

The Military Coalition very much appreciates your leadership in campaigning to restore equity to this very important survivor program, and we look forward to working closely with you in seeking maximum co-sponsorship for—and timely enactment of—legislation in the 109th Congress.

Sincerely,

The Military Coalition
(Signatures Enclosed)