



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

May 26, 2005

The Honorable Bill Nelson
United States Senate
Washington, DC 20510

Dear Senator Nelson:

The Military Coalition (TMC), a consortium of nationally prominent uniformed services and veterans' organizations, representing more than 5.5 million members plus their families and survivors, is writing in support of SA 762, which would amend the FY 2006 National Defense Authorization Act (NDAA), to correct two serious 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.

In the case of service 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, in most cases, 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.

For retired members, TMC supports 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 bought and paid for, not substituted for them. SA 762 provides relief to survivors by repealing the SBP-DIC offset.

The 2008 effective date in existing law for paid-up SBP 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. SA 762 remedies this inequity by advancing the effective date to October 1, 2005.

We look forward to supporting your efforts in coming Senate floor action on the FY2006 NDAA. Thank you for championing the rights of military survivors and retirees.

Sincerely,

The Military Coalition
(Signatures enclosed)