



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) 838-8143

March 14, 2017

The Honorable Diane Black
Chair, Committee on Budget
U.S. House of Representatives
Washington, DC 20515

The Honorable John Yarmuth
Ranking Member, Committee on Budget
U.S. House of Representatives
Washington DC, 20515

Dear Chairman Enzi and Ranking Member Sanders:

The Military Coalition, a consortium of military and veteran organizations representing more than 5.5 million currently serving and retired servicemembers, veterans, and their family members and survivors, is writing to urge you to include a provision in the FY2018 Budget Resolution to positively address a long-standing inequity that currently imposes a severe financial penalty on thousands of military survivors whose military sponsors' deaths were caused by their service.

Some 64,000 survivors whose sponsors died from military service are penalized up to \$15,000 a year or more by the law which requires deducting their VA Dependency and Indemnity Compensation (DIC) from their military Survivor Benefit Plan (SBP) annuities.

DIC is a VA indemnity payment to survivors in cases where it is determined military service caused the member's death. SBP is a survivor annuity purchased by retiring servicemembers which provides a survivor annuity equal to 55 percent of the servicemember's military retired pay in the event of the member's death for any reason.

Current law requires surviving spouses who qualify for both benefits to forfeit an amount of SBP equal to the DIC amount. In effect, this makes the surviving spouse fund her or his own VA death benefit from the SBP annuity purchased by the retired sponsor. Some surviving spouses already have been exempted from the inequity by a federal court ruling which authorized SBP-DIC-eligibles who remarry on or after age 57 to retain both benefits. But this only magnifies the inequity for younger spouses and those who do not wish to remarry.

Congress recognized the inequity of this situation by authorizing a partial rebate -- the Special Survivor Indemnity Allowance (SSIA), which has been increased over several years to the current \$310 per month. The intent, as expressed by the House Armed Services Committee Chairman at the time, was to continue increasing SSIA and eventually phase out the SBP-DIC offset. But funding has not been identified to follow through on that intent. In the latest action, the FY2017 Defense Authorization Act extended authority to pay the SSIA for eight months -- through May 31, 2018.

It is essential to provide SBP-DIC widows with a long-term solution -- at the very least, a multi-year plan of annual SSIA increases, hopefully leading to phase-out of the SBP-DIC offset requirement. These survivors who already suffered the ultimate penalty for their sponsors' service should not have to worry about year-to-year renewal of the SSIA.

The Budget Committees' help will be essential, because the Armed Services Committees do not have sufficient mandatory spending offsets to provide this relief without making other beneficiaries pay the bill through unpalatable options like far higher pharmacy copays.

Funding survivor benefits for military-caused deaths is the government's responsibility, not military beneficiaries'.

Please exert your leadership to identify non-defense offsets needed to further increase the SSIA and continue phasing out the unfair SBP-DIC offset for military widows.

Sincerely,

The Military Coalition
(Signatures Attached)

cc: Senate Majority Leader
Senate Minority Leader
Chairman, Senate Armed Services Committee
Ranking Member, Senate Armed Services Committee
Senate Budget Committee, All Members

Air Force Association
Air Force Sergeants Association
AMSUS, the Society of Federal Health Professionals
Association of the United States Army
Association of the United States Navy
Chief Warrant & Warrant Officers Association, USCG
Commissioned Officers Association of the U.S. Public Health Service, Inc.
Enlisted Association of the National Guard of the United States
Fleet Reserve Association
Gold Star Wives
Iraq & Afghanistan Veterans of America
Jewish War Veterans of the United States of America
Military Officers Association of America
Military Order of the Purple Heart
National Military Family Association
Naval Enlisted Reserve Association
Non Commissioned Officers Association
Reserve Officers Association
The Military Chaplains Association of the United States of America
Tragedy Assistance Program for Survivors
The Retired Enlisted Association
United States Army Warrant Officers Association
United States Coast Guard Chief Petty Officers Association

Military Coalition Letter in re: March 14, 2017