2012 TMC Survivor Programs Committee Goals
Draft for TMC Approval 11-23-11

Recognizing the sacrifices Survivors have endured, this committee works to improve and protect existing Survivor Benefits, and to eliminate benefit inequities.

Correct Remaining Survivor Benefit Program (SBP) Inequities
Included in the proposed improvements should be:

- Repeal the SBP-DIC offset – Survivors of retirees who die of service-connected causes and paid into SBP, and survivors of members who die on active duty, should receive both SBP and DIC benefits without the current dollar for dollar offset. Support legislation to end the offset.
- Authorize SBP annuities paid to disabled survivors be placed into a Special Needs Trust – Certain permanently disabled survivors can lose eligibility for Supplemental Security Income (SSI) and Medicaid, and access to state run programs because of receipt of SBP. Support legislation to allow the SBP funds to be placed in a special needs trust for a disabled SBP annuitant.
- Reduce age for paid-up SBP to age 67 – Under current law, retirees may stop paying SBP premiums when they have paid for 30 years and reach age 70. This eliminates a group who may have entered the service at age 17 and will be required to pay for 33 years until attaining paid-up SBP status. Therefore, we support changing the minimum age for paid-up SBP from age 70 to age 67 so those who joined the military at age 17, 18 or 19 and serves 20 years will only have to pay SBP premiums for 30 years (Joint initiative with the TMC Retiree Committee).
- Allow reinstatement of SBP – Reinstate SBP annuities to survivors who transfer it to their children when the children reach majority, or when a second marriage ends.
- Exempt Children who receive a Survivor Benefit Plan (SBP) annuity from the Alternative Minimum Tax (AMT) - An SBP annuity received by a child is unearned income and is often taxed at a higher AMT rate. AMT tax rules apply to a child’s income to discourage parents from transferring income producing assets to a child in order to achieve tax savings. This often results in a child’s unearned income being taxed at the AMT marginal rate of 26%. We support eliminating the punitive burden imposed by the AMT by exempting the SBP amount received by the child; amending 26 USC § 59(j) (1). The annuity would remain taxable but subject to the normal tax rates for a child’s income (Joint initiative with the TMC Taxes/Social Security Committee).
- Allow SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member’s death.

Improve Chapter 35 Survivors’ and Dependents’ Educational Assistance (DEA)

- Support legislation to increase DEA benefits under Chap. 35, Title 38 USC a minimum of 20% to match the increase in MGIB benefits Congress passed in 2008.
- Establish a housing and annual book stipend for the DEA program.
- Require the DEA program be adjusted proportionally whenever Congress raises MGIB (Chap. 30) and the Post 9/11 GI Bill (Chap. 33) benefits.
- Support legislation to provide for the transfer of the Post-9/11 GI Bill benefit to eligible surviving spouses of deceased members of the Uniformed Services.
- Ensure that eligibility for Chapter 35 education benefits be extended to all survivors equitably, e.g., active duty service members who are also surviving spouses of military members who died on active duty are denied DEA benefits unless they separate from active service (Joint initiatives with the TMC Veterans Committee).

Improve DIC

- DIC equity with other federal survivor benefits – Currently 2011 DIC is set at $1154 monthly (43% of a 100% disabled retiree’s compensation). Survivors of federal workers have their annuity set at
55% of their Disabled Retirees Compensation. TMC supports raising DIC payments to 55% of VA Disability Compensation for a 100% Disabled Veteran. When changes are made, ensure that DIC eligibles under the old system receive an equal increase.

- Retain DIC on remarriage at age 55 – Current law allows retention of DIC on remarriage at age 57. TMC goal remains age 55 in order to bring this benefit in line with SBP rules and other federal survivor benefits. It would also bring it in line with the present rule allowing retention of CHAMPVA on remarriage at age 55.

- Increase DIC payable to widows of catastrophically disabled veterans to match other Federal survivor benefit plans – Catastrophically disabled veterans, whose spouses serve as primary caregivers, receive additional allowances due to the severity of their service-connected multiple disabilities. These spouses perform full-time duty which precludes them from working towards a retirement or Social Security benefits in their own right. When the veteran dies, the widow’s income is reduced to the same Dependency and Indemnity Compensation (DIC) payment that other surviving spouses of veterans receive, whose death was service connected. The percentage of replacement income can be as little as 15%. The income replacement of other federal survivor benefit plans is close to 50% of the benefit upon which they are based. Congress should provide for widows of catastrophically disabled veterans on a similar basis.

**Allow Survivors of Retirees to Draw Full Month's Retired Pay for Month in Which Retirees Die** – Support legislation to allow survivors a full month's pay in month the retiree dies. Currently DFAS recovers all retired pay paid in month retiree dies and later pays a final settlement for the number of days in month the retiree was alive. This often creates hardships for survivors who must wait several months for SBP benefits to be started by DFAS (Joint initiative with the TMC Retiree Committee).

**Seek Legislation to Reinstate TRICARE Benefits for Remarried Widows when the Second Marriage Ends** - When a TRICARE-eligible widow/widower remarries, he/she loses TRICARE benefits. When that individual’s second marriage ends in death or divorce, the individual has eligibility restored for military ID card benefits, including SBP coverage, commissary/exchange privileges, etc. – with the sole exception that TRICARE eligibility is not restored (Joint initiative with the TMC Health Care Committee).

**Permanent ID Card Reform** – Promote legislative changes that will (1) lower the eligibility for permanent ID cards for all spouses and survivors of uniformed service members to age 65; and (2) reduce or eliminate the burden of quadrennial financial recertification for permanently incapacitated dependents (Joint initiative with the TMC Retiree Committee).

**Eliminate Inequities in SBP Coverage In The Uniformed Services Former Spouse Protection Act (USFSPA)**

- Permit the designation of multiple SBP beneficiaries with the presumption that SBP benefits must be proportionate to the allocation of retired pay.
- Permit SBP premiums to be withheld from the former spouse’s share of retired pay if directed by court order.
- Permit a former spouse to waive SBP coverage.
- Repeal the 1 year deemed election period requirement for SBP (Joint initiatives with the TMC Retiree Committee).

**Ensure Survivors’ Inclusion Under Servicemembers Civil Relief Act (SCRA)** – Where eligible, ensure that survivors are included when changes are made or protections enhanced in SCRA in areas such as mortgage and foreclosure protection.
Increase VA Survivors’ Death Pension – This benefit is paid to widows of non-service connected disabled veterans of armed conflicts who meet certain minimum income level requirements. The current amount paid to eligible survivors is well below the government established poverty level. Support legislation to link death pension benefits to the federal poverty level determined each year by the Department of Health & Human Services.

CHAMPVA Dental – Enact Legislation that would allow Survivors qualified for CHAMPVA medical to be allowed to enroll in CHAMPVA Dental. The plan, modeled after the TRICARE Retiree Dental Plan, is completely funded by the enrollees' payments.

CHAMPVA Young Adult Coverage – Expand CHAMPVA coverage to eligible surviving children up to age 26 to agree with provisions in the Patient Protection and Affordable Care Act.

Seek Legislation to Establish a Distinct DoD-wide Bereavement Policy – Establish a Bereavement Leave based on the model of Paternity Leave which could include 14 days of non-chargeable leave that the service member could opt to use within 45 days of the date of the death of a spouse, child or parent. Bereavement Leave could be used in combination with chargeable leave if mission priorities permit. The amount of Bereavement Leave and the duration within which it is to be utilized should be standard regardless of branch of service.

Include Bereavement/Grief Counseling as a TRICARE Benefit – Presently, survivors can only receive counseling under TRICARE for depression, not grief. We would like to see grief counseling provided under a separate International Classification of Diseases (ICD) code instead of ICD 9 which is for depression. People in certain occupations cannot have that designation in their medical records and we do not feel that survivors should be penalized by a work around.

Seek Restoration of Space “A” Travel Benefit to Surviving Spouses – Recommend legislation be enacted or policy changes be implemented to allow survivors to be eligible for Space “A” travel. Those who would like to have this benefit available to them already understand the possible risks associated with Space “A” travel, limited seat availability, priority assignment, and delays in returning. The choice should be left up to them. No cost is associated with this initiative. Recommend a trial program initially.