

2/13/2017

The Honorable Bill Nelson
United States Senate
716 Hart Senate Office Building
Washington, D.C. 20510

Re: S. 339: To amend title 10, United States Code, to repeal the requirement for reduction of survivor annuities under the Survivor Benefit Plan (SBP) for military surviving spouses to offset the receipt of the veterans Dependency and Indemnity Compensation (DIC).

Dear Senator Nelson:

The National Military and Veterans Alliance, a non-partisan policy and advocacy organization composed of military and veteran service organizations, writes to thank you for your leadership in addressing the issue of the Survivor Benefit Plan and Disability Indemnity Compensation offset for surviving spouses by sponsoring S. 339, to end the reduction of survivor annuities under the Survivor Benefit plan for military surviving spouses to offset the receipt of veterans Dependency and Indemnity Compensation.

As you know, SBP is a Department of Defense (DoD) annuity program that provides income protection to survivors of active and retired military personnel. Upon retirement, uniformed service members may elect to make monthly contributions of 6.5 percent of their retirement pay. This serves as a monthly premium and on the occasion of the retired service member's death survivors receive 55% of the deceased service member's retirement pay. DIC is a Department of Veterans Affairs (DVA) compensation program that provides a modest monthly annuity of \$1,257.95 (\$15,095 annually) to survivors of a service member, active duty or veteran, who dies from a service-connected condition.

Under current law (10 USC 1450) (c) (1)), DoD is required to reduce ("offset") the amount of the surviving spouse's SBP payment on a dollar-for-dollar basis by the amount of the DIC benefit. The statute causes many surviving spouses to lose the majority – or all too often – the entire amount of the SBP annuity. This is especially true of survivors of enlisted personnel.

Survivors of those service members who die on active duty in the line of duty or while on inactive-duty training (IDT) orders also receive the SBP and DIC benefits and are subject to the same offset. Service members do not pay a premium while they are on active duty or in reserve status.

There are exceptions to the current law. For example, widows who remarry after age 57 may receive both DIC and SBP without an offset. In these cases, it literally pays to remarry and the DoD essentially rewards these widows by paying them the full amount of their SBP. In addition, Congress acknowledged in 2008 the inequity in law, authorizing a modest Special Survivor Indemnity Allowance (SSIA) for SBP-DIC widows to begin phasing out the offset. In June 2009, Congress took the next step, increasing SSIA monthly payments to \$150 beginning in FY2014 and rising to \$310 in FY2017. In the most recent FY17 National Defense Authorization Act, Congress extended the payment of \$310 per month to May 2018.

The SBP-DIC offset is an egregious policy forced upon widows who sacrificed greatly in support of their spouse's service to our Nation. As a result, these survivors are being forced to sacrifice a second time.

We encourage you to move this legislation quickly in order to ensure that surviving spouses receive all of the financial benefits that their service members earned and paid for. For our part, we will encourage your colleagues to sign on as co-sponsors to this important legislation.

We salute your efforts and leadership in addressing this important issue, and we deeply appreciate your efforts on behalf of America's service members, veterans, their families and survivors.

Sincerely,



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American Military Society
American Retirees Association
Army Navy Union
Gold Star Wives
Japanese American Veterans Association
Korean War Veterans Foundation
Military Order of Foreign Wars
Military Order Purple Heart
National Defense Committee
Reserve Officers Association
Society of Military Widows
Tragedy Assistance Program for Survivors
The Flag and General Officers Network
The Retired Enlisted Association
Vietnam Veterans of America