

Testimony of
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Before the House Veterans Affairs Committee
Subcommittee on Benefits

Regarding
H.R. 3771

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Mr. Simpson, Ranking Member Reyes, and other members of this Subcommittee, thank you for the invitation to express the views of the Blinded Veterans Association on H.R. 3771. This bill would amend title 38, United States Code, to provide that monetary benefits paid to veterans by States and municipalities shall be excluded from consideration as income for purposes of pension benefits paid by the Secretary of Veterans Affairs. BVA enthusiastically supports this important legislation. We extend our deepest thanks to Mr. Crowley of New York for introducing this legislation.

Blinded veterans in receipt of non-service connected pensions generally have very limited incomes and are clearly penalized by current pension laws requiring all income to count for pension purposes. When states and municipalities honor their veterans who served America by providing annuities or other benefits, those veterans unfortunately lose the full benefit of those annuities. Several states have provided annuities for blinded veterans and have even been willing to increase those annuities, but have hesitated because the veterans would not receive the full benefit due to current pension law. Unfortunately, many veterans chose not to take advantage of this gift because it would affect their federal pension received from the Department of Veterans Affairs. Annuities, bonuses, and benefits are meant to be GIFTS from a state or municipality to a veteran for their service to this great Nation. In actuality, this gift is truly a hindrance for those that receive a VA pension. Furthermore, the current law serves as a disincentive for states and municipalities to establish such annuities or other monetary benefits honoring veterans who served America.

BVA feels it is long overdue to amend Title 38 in order to exclude monetary benefits paid by states and municipalities to veterans as income for pension purposes. Thanks to the research of Regis Quirin, BVA's New York State Regional Group Legislative Liaison, BVA discovered that the VA General Counsel ruled on this issue over 30 years ago. In 1966, the VA General Counsel held that "The New York State Annuity for blind war veterans and widows of such veterans (and any similar benefit provided by any other state) is a "bonus or similar cash gratuity" and thus excludable (effective January 1, 1967) from income, for VA purposes, in pension, compensation, and dependency and indemnity compensation cases."

Mr. Chairman, it clearly is time to rectify this inequity in VA Pension Law and not penalize severely disabled veterans from receiving all monetary benefits provided by states and municipalities for honorable service to America. Severely disabled veterans are at highest risk for being unable to obtain meaningful and productive employment. People who are blind or severely visually impaired are especially vulnerable in this regard. The unemployment rate among people who are blind and of working age is 70 per cent. The potential impact on those blind and severely visually impaired receiving non-service connected pension is potentially significant if the monetary benefits paid by states or municipalities to blinded veterans must be reported as income.

Again, Mr. Chairman, BVA appreciates this opportunity to present our views on H.R. 3771. I would be pleased to respond to any questions you or other members of the Subcommittee might have.