

*“With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the nation’s wounds; **To care for him who has borne the battle, his widow and his orphan.**”*

...President Abraham Lincoln, Second Inaugural Address, March 4, 1865

Messrs. Chairmen of the Senate and House Veterans Affairs Committees and Members of the Committees:

Gold Star Wives of America, Inc. was founded by a 22-year-old World War II widow Marie Jordan Speer in New York in 1945. It was under the name Gold Star Wives of World War II, Inc. and later changed to our current name. Marie is still active in Gold Star Wives and represented Gold Star Wives at the World War II Memorial Dedication on May 2004. She was seated on the dais along with former Presidents Bush and Clinton and other dignitaries. Eleanor Roosevelt was a member of the first GSW Board of Directors and a signer of the Certificate of Incorporation of Gold Star Wives of World War II, Inc.

Gold Star Wives of America, Inc., is a Congressionally chartered service organization comprised of surviving spouses of military service members who died while on active duty or as a result of a service-connected disability. Many of our membership of over 10,000 are the widows of service members who were killed in combat during World War II, the Korean War, the Vietnam War and wars thereafter. Almost all of our members are receiving Dependency and Indemnity Compensation (DIC). Gold Star Wives has been working on Capitol Hill to help maintain survivors benefits since its inception in 1945. Today, we continue to educate and advocate to maintain survivor benefits for not only our members, but also for the over 318,000 survivors receiving DIC.

During the War on Terror the Department of Veterans Affairs reports to have provided DIC benefits to about 1000 survivor family members (including spouses, children and in some cases parents). In 2002, the largest group of widows receiving DIC continues to be the World War II widows (109,481), followed closely by the Vietnam Era (101,021). Interestingly, there are 9 widows from the Spanish-American War. Sadly, the last surviving widow of the Civil War recently died. According to the Veterans Administration, more than 75% of the new DIC entrants are over 65 years old. Gold Star Wives median income (in 1993) including our DIC benefit is only \$16,495.00 per year and our attrition rate due to death or remarriage (in 1994) is 2% per year according to the 1995 GAO Report to the Committees on Veterans Affairs.

Gold Star Wives has a long history of performing volunteer community service and volunteer work in our nation’s Veterans Hospitals. During 2003, 132 of our members volunteered in 31 Veterans Affairs Volunteer Service (VAVS) accredited Hospitals and Medical Centers and a total of 53 hospitals. In 2002, Gold Star Wives volunteered (over 21,000 hours) at Veterans Hospitals and Medical Centers, drove more than 48,000 miles, and donated over \$27,000 in cash and goods. We are currently members of the National VAVS Committee.

The National Legislative Committee of The Gold Star Wives of America is composed fully of volunteer members. The committee includes:

- Rose Lee, Chairman, of Arlington, Virginia; widow of US Army active duty death; Korean War, Vietnam War;
- Penny Splinter of Dubuque, Iowa; widow of KIA, Operation Iraqi Freedom;
- Edith Smith of Springfield, Virginia; widow of retired disabled Marine, Vietnam War;
- Margaret Murphy Peterson of Remsen, New York; widow of KIA; U. S. Army, Vietnam War is a volunteer advisor to the committee.

John Brennan, of Potomac, Maryland serves as our Washington Government Relations Representative and also consults with the committee.

We thank both the Senate Committees on Veterans Affairs and the House Committee on Veterans Affairs for inviting Gold Star Wives to present oral testimony before you today. We also want to commend the other Veterans Service Organizations testifying today for their support. Gold Star Wives is an active and full member of The National Military Veterans Association and The Military Coalition, which is the largest coalition of veterans' service organizations, with over 12 million members.

Your legislative accomplishments in the 108th Congress on behalf of survivors can be translated into truly distinctive improvements in the quality of hundreds of thousands lives. Your dedication and the dedication of your staff members on behalf of survivors have made a considerable impact on the day-to-day lives of our members.

Gold Star Wives worked closely with the Senate Committee on Veterans' Affairs in the 108th Congress to pass legislation that has improved military survivors' benefits. We have always found both majority and the minority committee staff members to work in a bi-partisan and collaborative manner. They have always responded promptly to our requests for information, as well as meetings to discuss our legislative concerns and priorities.

**THANK YOU FOR THE VETERANS' BENEFITS IMPROVEMENT ACT OF
2004 (PL 108-454) AND THE COST-OF-LIVING INCREASE TO THE
DEPENDENCY AND INDEMNITY COMPENSATION (DIC)**

Gold Star Wives would like to express our gratitude for your efforts in working to improve survivors' benefits during the 108th Congress. PL 108-454 includes the following:

- Increases survivors' DIC benefits by \$250 per month during the 2-year period following the death of a veteran to further ease the transition of surviving spouses with dependent children, effective 1 January 2005;

- Allows a remarried spouse to be buried in a national cemetery with his or her deceased veteran-spouse and without permission from his or her subsequent husband or wife;
- Provides for a ten-year extension of delimiting period for Survivors' and Dependents' Educational Assistance (DEA) for spouses of active duty deaths who are now in their first 10-year period of eligibility;

The Department of Veterans' Affairs has just begun paying the \$250 per month increase for dependent children and it is prospective only from January 1, 2005. Consequently, few of the survivors of the War on Terrorism have received the benefit and many are now left out completely because their spouse was killed two years before the law's effective date. In order to achieve fairness for this group of survivors, we request that the prospective date be moved to October 7, 2001.

We wish to thank you for the extension of the 10-year delimiting period for our DEA benefits. This change finally recognizes that survivor education benefits for the military widows are not like the traditional transition benefits for the military veteran reentering the civilian workforce. For the DIC widows this is a benefit that falls more into the category of an "upgrading skills and life-time learning" education benefit. It now makes that possible.

**WWII, KOREAN WAR, AND VIETNAM WAR SURVIVORS
AMONG OTHERS ARE BEING LEFT BEHIND IN THE RUSH TO
INCREASE SURVIVORS' BENEFITS**

The annual cost-of-living increase for the standard DIC benefit for those survivors whose spouses died after January 1, 1993, was an increase from \$967 per month to \$993 per month. As we have witnessed the legislative rush to vastly increase the Death Gratuity and the life insurance for those survivors of the War on Terrorism, our members and the vast majority of the military survivors' population, i.e., WWII, Korean War, and Vietnam War survivors among others left behind, are left out of the increase in benefits. Many have expressed the feeling that Congress rushed to compensate the survivors of the disasters of September 11, 2001, and are now similarly motivated to rush to compensate today's survivors of the War on Terror. But, Congress has systematically left out the military survivors of the past. Consequently, we are asking for a review of the current DIC payment amounts as many widows are now living far below the poverty level if they are dependent only on their monthly DIC check.

**GOLD STAR WIVES SEEK THE ASSISTANCE OF BOTH THE SENATE AND
THE HOUSE VETERANS' AFFAIRS COMMITTEES OF THE FIRST SESSION
OF THE 109TH CONGRESS TO ADDRESS THE FOLLOWING NEEDS:**

ENDING THE SBP/DIC OFFSET (H.R. 808, S. 185)

The purposes of military Survivor Benefits appear to have been lost. We are very appreciative of the DIC benefit established in 1957, paid to the spouse and children by

the Veterans Administration as indemnification for active duty and service-connected death. In January 1993, legislation substantially changed the nature of the DIC program to provide a uniform indemnity payment, cutting support payments related to military rank to create one payment for all survivors.

The Department of Defense established the current Survivor Benefit program in 1972 to assure the surviving dependents of military personnel who die following retirement will continue to receive 55% of the retired pay. More than 200,000 military widows are recipients of this benefit. We believe the Gold Star Wives are entitled to be included in the benefits provided to all other military survivors by DOD. It is a purchased benefit of retirement. The cost burden of survivor benefits is then appropriately shared by both the military service as the employer and the Veteran's Administration.

A service member receiving or entitled to receive retirement pay may purchase the Survivor Benefit Plan (SBP) to ensure a survivor will continue to receive a portion of the military retirement pay in the event of their spouse's death. However, for those retired service members who die as a result of a service-connected disability and therefore entitling their survivor to become eligible for DIC, the survivor's SBP will then be offset dollar for dollar by their DIC.

This patently unfair offset currently affects approximately 52,000 survivors who are dually eligible for both SBP and DIC. While DIC is non-taxable income and SBP is taxable, survivors of these disabled retirees see little or no SBP funds despite having paid monthly premiums equal to 6.5 per cent of their retired pay; adding up to thousands of dollars over the years. The previously paid premiums are returned as lump sum to the survivor without interest. This lump sum refund is a taxable event for the survivor. The premium refund therefore becomes an unjust survivor's tax burden. There is a great deal of resentment by some survivors who see that the federal government is collecting taxes on SBP payments that were not honored because the military retiree died of the wrong causes. The net effect of their monthly premium payments is that the retired disabled veteran's survivor pays taxes for having given the federal government a loan.

There is no civilian employer that would be permitted to return many years of survivorship premiums, without interest, should it choose not to pay purchased benefits. Yet, under current law the survivor of a military retiree is denied participation in a cost-sharing benefit that was guaranteed to protect them. Again, had the disabled service member retired from federal civil service, the survivor would be entitled to both the civil service survivor benefit and DIC, with no offset.

Many SBP/DIC survivors have spent more than 20 years sacrificing and supporting their spouse's military career and then years taking care of them during their disability. Retired pay represents deferred compensation for the 20 or more years of military service and disability pay is designed to compensate for a veteran's reduction in quality of life and lost future earnings as a result of his sacrifice for his country. Just as the disabled military retirees are now entitled to both benefits, so should their survivors.

Many survivors are in their 50s or older and have not had the opportunity to develop their own careers. The DIC attempts to indemnify them for the loss of a spouse's life. The SBP represents completely different income that they have paid for and made a life of sacrifices for like multiple deployments, constant anxiety about their spouse's well being, frequent moves, and no real chance to invest in a pension of their own.

The law now provides new survivors of the War on Terror with both SBP and DIC. However, in many cases, there is a complete offset of the SBP due to the lower rate or rank of the soldier when killed. Unfortunately, these are the survivors who need the SBP most and are not getting it due to the offset by DIC. The right thing to do is to remove the offset so these newer young widows may receive their complete SBP and DIC.

We thank Congressman Henry Brown (R-SC) for introducing H.R. 808 and Senator Bill Nelson (D-FL) for introducing S. 185.

***INCREASING THE DEATH GRATUITY AND SERVICEMEMBERS
GROUP LIFE INSURANCE BENEFITS***

Gold Star Wives of America would support any legislative efforts to increase the military survivors' Death Gratuity and their Servicemembers's Group Life Insurance benefits for all military survivors. We support a retroactive payment of the Death Gratuity to those military survivors who lost their spouse after October 1, 2001. For us, each death of a member of the armed services is equally not only a loss to their family, but also to our nation and should therefore be treated equally.

It is also important that military spouses receive the proper notice of their spouse's life insurance beneficiary or any change of such beneficiary. We also request that such notice would be shown to have a written acknowledgement of receiving such notice by the spouse.

Increasing these one-time lump sum payments at death is a short-term fix for military survivors. These payments may often be used quickly. The long-term solution for helping survivors is increasing their monthly checks, the money they are dependent upon for living day-to-day. This can be accomplished by ending the SBP/DIC offset.

***DECREASING THE REMARRIAGE AGE FOR RETENTION OF SURVIVORS'
BENEFITS TO AGE 55 (H.R. 1462)***

The Veterans Benefits Act of 2003 (P.L.108-183) included a provision that permits surviving spouses who remarry after attaining age 57 to retain their VA survivors' benefits. Also in that law was a provision that provides for a one-year period to apply for reinstatement that expired on December 15, 2004, for those who remarried before the law was signed on December 16, 2003. According to the VA, as of April 8, 2005, 11,611 surviving spouses have been reinstated. As the retroactive period was limited to one year and outreach was limited many eligible survivors may not be aware of their eligibility to be reinstated. So, we would ask that the law be amended to include those survivors over

age 55 as the original legislation requested and to enable those survivors who may not be aware of the legislation to become re-enrolled. Congressman Bilirakis (R-FL) has worked diligently with us on this issue and we look forward to working with him again. We thank him for recently introducing H.R. 1462 to reduce the age to 55 to retain VA survivors' benefits.

BETTER TRAINING FOR THE CASUALTY ASSISTANCE OFFICERS (CAOs)

We raise this issue as we have heard many instances of problems that the new survivors of the conflicts in Iraq and Afghanistan have experienced. For most survivors, the death of their spouse is the most catastrophic event of their lives. Many are literally in shock for months and are unable to cope with the financial decisions and bureaucratic tangles that a survivor encounters. The CAOs are unfortunately not now adequately trained, nor are any assigned to such duty full time. Yet, they must try to help survivors go through the maze of the DOD and VA benefits. There currently is little guidance for the CAOs. Without training or some DOD/VA/SS integrated brochures, survivors are without proper counseling and guidance at a critical time in their lives. All of the services should have one, uniform standardized guide.

A suggested solution to provide uniform and accurate information to all survivors would be for DOD to contract with the Armed Forces Services Corporation (AFSC). AFSC specializes in government survivor benefits and is renowned for its expertise, outstanding service, and its unique computer program that projects the family's future integrated stream of government survivor benefits and changes that occur to those amounts due to changing ages of the spouse and children. They serve as a lifetime casualty assistance office keeping their members informed of legislative changes that may affect the family's survivor benefits and assist the surviving spouse in applying for those benefits. AFSC assists the surviving spouse in dealing with the Department of Defense, Survivor Benefit Plan, Department of Veterans Affairs, and the Social Security Administration.

IMPROVED UP FRONT INFORMATION NEEDED FOR SURVIVORS' DECISIONS

Survivors need to know up front the following information:

- Upon remarriage survivors are subject to the following change in benefits:
 - Loss of their military ID card and consequent loss of base privileges including Exchange and Commissary, MWR, and military medical benefits;
 - Their medical benefits can go from TRICARE to CHAMPVA.
- Military survivors who work for the federal government can be barred from receiving their spouse's Social Security benefit;
- Those not enrolled in Medicare Part B are not eligible for CHAMPVA. The waiver of penalties and interest assessed for late enrollment has been fixed legislatively for TRICARE but not for CHAMPVA. Gold Star Wives would like to respectfully suggest that the plain language of Title 38, Section 1713 gives these CHAMPVA widows the same or similar benefits as TRICARE survivors.

We are told that about 60 - 100 disabled widows may be suffering a loss of medical care because they were unaware of the mandated requirement to purchase Medicare Part B as an additional condition to their eligibility for CHAMPVA. We ask the Committee to inquire as to the welfare of these widows.

THE CREATION OF A SURVIVORS' OFFICE WITHIN THE DEPARTMENT OF DEFENSE AND/OR THE DEPARTMENT OF VETERANS AFFAIRS

There currently is no central focus or location within either the DOD or the VA that a survivor or family member can go to with questions or concerns about their benefits. The VA's regional offices are woefully inadequate at providing information concerning survivors' benefits. DOD likewise has no central location for the new survivor to turn to should their CAO be without such information. There is virtually no coordination between DOD and VA that survivors can count on. Consequently, there is a need for a Survivors' Office that can carry out these critical functions from a central location. In as much as DOD should be considered the traditional employer and benefit provider, it is recommended that such an office be located in the DOD.

ASSISTED LIVING

Through a benefits survey conducted by Gold Star Wives in 2003, assisted living facilities for war widows was on top of the list with a 38 percent response rate. Many of our members are of the World War II and Korean War generation and are now in need of such facilities. It would be so heart warming to know that the VA cares enough to provide such facilities for those widows who are in need of them. We request that the Committees on Veterans Affairs investigate this issue.

SUPPORT FOR THE FLAG PROTECTION AMENDMENT (H.J.Res. 10)

Gold Star Wives would also like to mention that we passed a resolution to support protecting the U.S. flag from physical desecration. We are grateful to House of Representatives for voting in support of during the 108th Congress. We are joining with 49 states that have petitioned Congress to pass this amendment. We urge both the House and the Senate to pass this legislation during the 109th Congress.

BIOGRAPHY

Penny Splinter, a member of Gold Star Wives Legislative Committee, was married to her high school sweetheart Major Christopher Spinter 18 1/2 years. When her husband was deployed to Iraq, Penny was actively involved with assisting the younger wives and widows of her husband's unit. Major Splinter was killed in action in Samarra, Iraq on Dec. 24, 2003. Christopher and Penny have two children Mitchell 15 and Rachel 12. Penny has a degree in Elementary Education and graduated from the University of Wisconsin-Platteville. She and her children now live in Dubuque, Iowa where she works in Special Education/Health Services Department for Dubuque Community Schools.

DISCLOSURE STATEMENT

Neither Penny Splinter nor the Gold Star Wives of America, Inc. have received any Federal grant or contract during the current or previous two fiscal years relative to the subject matter of this testimony.