

STATEMENTS OF U.S. REPRESENTATIVE [REDACTED] PARTY BEFORE COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES IN SUPPORT OF HIS LEGISLATION BENEFICIAL TO NEEDY WAR VETERANS, NEEDY WIDOWS AND CHILDREN OF VETERANS, TUESDAY, JULY 19, 1966 at 10 AM

Mr. Chairman,

I appreciate the opportunity to testify here today.

I have been concerned for some time about hardship suffered by some of our veterans and their dependents and survivors because of anomalous and inequitable effects of the present provisions for determining eligibility for, and the amount of, the pensions provided for need war veterans and needy widows and children of veterans.

Considering that, to be eligible for a pension, a veteran or widow without dependents must come within an annual income limitation of \$1800, and a veteran or widow with dependents within a \$3000 limitation, it is quite obvious that for veterans, widows, and fatherless families--needy to begin with, and receiving pensions that range from \$27 to \$115 a month--every dollar of pension counts heavily. Yet, under present law an increase of a few dollars in a pensioner's income from sources other than his pension can actually reduce his total income. This unfortunate result occurs when the addition to his "other income" raises him into a higher bracket under the veterans' pension laws, with reduction or loss of pension in an amount that exceeds the increase in the pensioner's "other income."

Let me give one example. Let us take a widow whose income, other than her pension from the Veterans Administration, consists of social security benefits of \$800 a year and almost \$400 more from irregular employment. Since her income is in the \$601 to \$1200 bracket, she gets pension payments of \$48 a month. In a given year her earnings from work may amount to a little more than usual--say \$420. Since the additional income puts her into the \$1201 to \$1800 annual income bracket, her pension is reduced to

\$27 a month--a reduction in her yearly pension of \$252 and a reduction in her total income of about \$230.

I have introduced a bill, H.R. 11601, which would alleviate this problem. H.R. 11601 would permit pensioners to waive social security benefits they would otherwise receive where such waiver would enable the pensioner to avoid such a reduction in his total income. Thus, in the example I cited, the widow would be permitted to waive \$20 of her last social security benefit checks for the year and the Veterans Administration would be required to exclude the \$20 so waived from her "other income." Thus she would, under my bill, receive total income of \$1776 instead of the \$1544 resulting under present law.

One of the situations in which my bill would be particularly helpful is that arising when there is a general increase in benefits under social security, which constitutes much of the "other income" of recipients of veterans' pensions. The 1965 increase in social security benefits, by augmenting the "other income" of some pensioners by modest amounts, resulted in terminating their pensions or dropping their pension rate to a lower dollar level, with the result that in some cases there was a net loss to the pensioner. This caused real hardship for some needy veterans and families.

The Congress, in anticipation of a social security benefit increase in 1964, enacted legislation that, beginning with 1965, excluded from computation of a pensioner's "other income" 10 percent of the income received from public and private retirement programs and plans, including

social security benefits. As a result some veterans and widows got increased pensions and, since a social security benefit was not enacted in 1964, the increase in their pensions was an increase in total income. But this increase was, in effect, taken away from them, and in some cases people were made ineligible for pensions, when the 7 percent increase in social security benefits was enacted in 1965. If H.R. 11601 had been in effect, the pensioners who had their pensions reduced or eliminated by the 1965 social security increase could have remained eligible for a pension, or maintained their previous pension rate, by waiving part or all of the social security benefit increase. Under H.R. 11601, the Veterans Administration would not have counted the amounts waived in computing income for pension purposes, and so these needy veterans and widows of veterans would have been able to avoid the unintended effect of having their incomes cut back. My bill would of course avoid similar problems in connection with increases in social security benefits in the future.

At present, I should point out, the Social Security Administration does allow waivers of benefits under its administrative procedures, providing the person requesting waiver wants to waive the full amount of a monthly benefit. However, under present law, the Veterans Administration counts a social security benefit that is waived as "other income" just as though it were actually received. My bill is drafted to provide for specific statutory authority for the waiver of all or part of a monthly social security benefit, and also to provide that the amount waived shall not be counted as income for veterans' pension purposes.

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When it is considered that the average monthly pension paid to disabled veterans is about \$87, that the average to widows with children is about \$90, and that the average to widows alone is about \$54, it is obvious that these pensioners need to receive every dollar of pension for which they can qualify. H.R. 11601 would help to meet this need. I urge that you give it your favorable consideration.