

President's Budget Proposes to Reduce Veterans' Benefits

On May 23, 2017, the Administration released the Department of Veterans Affairs (VA) budget for fiscal year 2018. Contained within this budget were two legislative proposals that DAV strongly opposes because if enacted into law, they would seriously reduce benefits for our nation's ill and injured veterans, their families and survivors.

10-year cost-of-living round down

The Administration's budget proposal contains a provision that would round down cost-of-living adjustments (COLAs) for disability compensation, Dependency and Indemnity Compensation (DIC) and some other benefits for the next 10 years. DAV remains adamantly opposed to this or any permanent round down provision.

Veterans and their survivors rely on their compensation for essential purchases such as food, transportation, rent and utilities. It also enables them to maintain a marginally higher quality of life in the face of rising inflation. This COLA round down provision would unfairly target disabled veterans, their dependents and survivors to save the government money and offset the cost of other federal programs. That is simply unacceptable.

The cumulative effect of this provision of law would, in essence, levy a 10-year "tax" on disabled veterans and their survivors, reducing their income each year. When multiplied by the number of disabled veterans and recipients of DIC, hundreds of millions of dollars would be siphoned from these deserving individuals annually. All totaled, VA estimates this proposed COLA round down would cost beneficiaries close to \$2.7 billion over the next 10 years.

INDIVIDUAL UNEMPLOYABILITY AND SOCIAL SECURITY OFFSET

The Administration's budget proposal also contains a provision that would scale back VA's Individual Employability (IU) program for thousands of veterans. DAV strongly opposes this ill-conceived proposal.

The IU program allows VA to pay certain veterans, who are determined to be unemployable as a result of service-connected disabilities, disability compensation at the 100 percent rate, even though VA has not rated their service-connected disabilities at the 100 percent level. This proposal would terminate existing IU ratings for veterans when they reach the minimum retirement age for Social Security purposes, currently 62, as well as cut off IU benefits for any veteran already in receipt of Social Security retirement benefits.

We oppose this and any measure that proposes to offset the payment of any other federal benefit or earned benefit entitlement against VA compensation payments made to service-connected disabled veterans. Benefits received from the VA, or those based on military retirement pay, have differing eligibility criteria for different purposes than other federal programs. Social Security benefits are an earned benefit for retirement while VA disability compensation is an earned benefit derived from injury or illness from military service. Reducing the Social Security benefit provided to a disabled veteran in receipt of IU is simply an unjust penalty and would place an undue hardship on all veterans in receipt of IU and their families.

Furthermore, we are vehemently opposed to limiting disability compensation benefits due to a veteran's age. Many disabled veterans might not have income replacement available-especially those who had been on IU for an extended period in advance of reaching retirement age. Arbitrarily cutting off IU eligibility for veterans who turn 62, an age at which millions of Americans continue working and saving money for their retirements-a luxury that many disabled veterans do not have-would be grossly unfair to the men and women served.