

Dependency and Indemnity Compensation (DIC) is a tax-free monetary benefit administered by the US Department of Veterans Affairs (VA). This benefit is paid monthly, primarily to survivors of service members who died in the line of duty or as a result of service-connected causes.

Currently, DIC is paid at 43% of 100% permanent and total disability. All other federal survivor programs are paid at 55%. This would bring DIC into parity with other programs.

» DIC is an indemnity payment with the purpose of replacing a portion of the family income lost as a result of the service member/veteran's death.

» DIC has been paid in some form to survivors since the Revolutionary War.

» There are two types of DIC for survivors:

» **Flat Rate DIC:** A DIC recipient whose service member/veteran's death was on or **after** January 1, 1993 currently receives a flat rate of \$1357.56 per month (as of December 1, 2020).

» **Rank-Based DIC:** A DIC recipient whose service member/veteran's death was **before** January 1, 1993, receives DIC based on the rank (pay grade) of the service member. A DIC recipient whose service member/veteran's rank was E1-E6 currently receives \$1357.56. A DIC recipient whose veteran's rank was E7 or above receives a higher amount based on rank.

» DIC has only been increased by Cost-of-Living Adjustments (COLAs) since 1993.

» 438,691 surviving spouses currently receive DIC.¹



An increase in DIC would mean a little less stress and worry each month. That increase would ensure money for groceries and basic necessities would be covered each month and I wouldn't have to struggle as much to ensure the rest of the ends would be met. It would mean I could travel the three hours to see our grandson without wondering how to fit that expense in the budget. It would mean that I would have a few extra hours each month to spend with my son on extra learning opportunities, family time without constraints, and play. It would mean a less stressed mom for him that could enjoy playing with legos or cars without thinking about whether I worked enough that day for the bills and food.

- *Katie Hubbard, Surviving Spouse of CSM James Hubbard Jr.*



¹ Response from the Veterans Benefit Administration to a data request. Numbers are as of September 1, 2021.

In March 2021, Senators Jon Tester (D-MT) and John Boozman (R-AR) introduced the S. 976, **Caring for Survivors Act of 2021**. This bipartisan bill provides additional money to those who receive DIC payments so that the total compensation is raised from 43% to equal 55% of a single 100% disabled veteran's compensation and would bring parity with other federal survivor programs. Additional allowances would not be used to calculate DIC.

In May 2021, Representatives Jahana Hayes (D-5th/CT), Lois Frankel (D-21st/FL) and Raul Grijalva (D-3rd/AZ), introduced H.R. 3402, the companion bill.

Impact

- » A Surviving Spouse in her 70's relies on DIC and Social Security. She works part-time house sitting and running errands for neighbors. If she received an increase to DIC - just a few hundred dollars a month - she wouldn't need to supplement her income to pay her bills.
- » A Surviving Spouse in her 50's has raised her child, who is now 18. She has been relying on DIC and Social Security. Her child has aged out and she is relying only on DIC and Social Security Disability. In-order to make ends meet, she has had to live in a rental with numerous roommates. A DIC increase would provide some financial security.
- » A Surviving Spouse living in NV in her 50's is unable to work. She does not qualify for Social Security Disability. DIC is her only source of income. Currently, she has significant credit card debit as the cost of living has risen substantially during the pandemic.