



**Statement of
Allison Percy
Principal Analyst**

**Analyzing the Federal Benefits
Available to Disabled Veterans**

**before the
Veterans' Disability Benefits Commission**

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**CONGRESSIONAL BUDGET OFFICE
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WASHINGTON, D.C. 20515**

Thank you for asking the Congressional Budget Office (CBO) to speak before the Veterans' Disability Benefits Commission on the issue of analyzing the federal benefits available to disabled veterans.

The charter of the commission is broad, stating that it “shall carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service.” The law establishing the commission specifically requests a “comprehensive evaluation and assessment” of those benefits, including the appropriateness of the type and level of benefits, as well as the standards for determining whether a disability or death of a veteran should be compensated.

The commission's list of approved research topics begins with several questions about how well current benefits compensate disabled veterans for lost earnings capacity and an impaired quality of life. Thus, the commission is seeking to determine the role that federal benefits play in sustaining disabled veterans' standard of living.

Federal support for disabled veterans' standard of living will vary because some veterans are eligible for different benefits both from the Department of Veterans Affairs (VA) and from other federal sources. To fully assess the impact of federal benefits, the commission would need to know about all of the federal programs to which veterans can turn for assistance and would need to quantify the extent to

which each of those programs provides income and in-kind services for disabled veterans. Depending on a variety of circumstances, a veteran with a disability attributable to military service might receive disability retirement or a severance payment from the Department of Defense; disability compensation and medical services from VA; disability insurance payments or Supplemental Security Income from the Social Security Administration; and education loans, job training, adaptive technology, small business support, and other benefits from a variety of federal programs. Analyzing the effects of those benefits on a standard of living is complex because the service-connected disabilities that trigger the receipt of VA benefits may or may not reflect the same underlying medical conditions that trigger veterans' benefits under other federal programs.

In considering the issue of multiple benefits, Social Security Disability Insurance (SSDI) stands out in particular because it is the largest federal program that, like VA disability compensation, is designed to replace earnings that are lost because of a disability. However, the eligibility criteria for the two programs are different, and there is limited information currently available on the degree to which veterans receiving VA disability compensation are also receiving SSDI payments and whether those payments are tied to the same service-connected disabilities or to disabilities unrelated to military service.

Under current law, a veteran may be eligible for both programs without any offsets. Collecting new information about the role that each program plays in

supporting the standard of living of disabled veterans would not necessarily lead to a conclusion that current law should be changed. It could be that only the most seriously disabled veterans qualify for both programs and that their loss of income and quality of life is greater than that of veterans who receive only VA disability compensation. In that case, the two programs could be seen as complementary with the common goal of providing greater compensation to the most seriously disabled veterans. Yet if VA compensation alone is inadequate to restore the standard of living of veterans whose only disabilities derive from their military service, it seems inefficient for those veterans to have to undertake two separate application processes in order to qualify for the full amount of federal benefits to which they are entitled. Alternatively, veterans who receive both types of compensation might not differ in any measurable way from veterans who receive only VA compensation. In that case, issues of fairness might arise, as veterans in similar circumstances would be receiving different amounts of total compensation for their service-connected disabilities. The commission can illuminate the issue for the Congress only by learning more about whether veterans are receiving both types of compensation and what types of disabilities those veterans have.

As a preliminary analysis conducted by the Center for Naval Analyses (CNA) has shown, federal data sources such as the Current Population Survey and the Survey of Income and Program Participation provide relatively little information on the issue beyond a simple count of how many veterans receive both types of

payments.¹ That analysis indicates that about 15 percent of veterans who are receiving VA disability compensation also receive payments from SSDI. However, those data do not describe the amount of income the veterans receive from each source; the extent to which SSDI payments are received by veterans with service-connected disabilities rated at 100 percent or by those with lower-rated service-connected disabilities who also have additional disabilities unrelated to their military service; or the likelihood that veterans will receive both types of payments depending on the type of disability. The research that the commission is undertaking now has the potential to provide far better information about the role that SSDI plays in providing income support for some disabled veterans.

CBO is a legislative support agency whose mission is to provide the Congress with timely, objective, nonpartisan analyses of the budget and the economy and to furnish the information and cost estimates required for the Congressional budget process. The agency takes as a premise that the clearest view of any policy question can best be found by seeking accurate and unbiased data sources and by examining those data in an objective manner. Consequently, CBO sees only advantages to learning more about the degree to which the totality of federal benefits (including SSDI payments) enables veterans with service-connected disabilities to have a standard of living comparable to that of other veterans.

1. CNA Corporation, “Disabled Veterans Receiving SSDI” (prepared for the Veterans’ Disability Benefits Commission, March 29, 2006).