

108TH CONGRESS  
1ST SESSION

# H. R. 2569

To improve benefits for members of the Armed Forces and veterans and  
for their dependents and survivors.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2003

Mr. EDWARDS (for himself, Mr. EVANS, Mr. SKELTON, Mr. MARSHALL, and Mr. FILNER) introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committees on Veterans' Affairs, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To improve benefits for members of the Armed Forces and  
veterans and for their dependents and survivors.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Salute to Veterans and the Armed Forces Act of 2003”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Full payment of both retired pay and compensation to disabled military retirees.

- Sec. 3. Repeal of dependency and indemnity compensation offset from survivor benefit plan surviving spouse annuities.
- Sec. 4. Increase in amount of basic educational assistance for members of the Selected Reserve.
- Sec. 5. Application of index based on costs of higher learning.
- Sec. 6. One-time bonus for certain service in connection with Operation Iraqi Freedom or Operation Enduring Freedom.
- Sec. 7. Authorization of additional funding for veterans medical care.
- Sec. 8. Interim payments under certain veterans claims when decision is delayed following remand for expedited consideration.
- Sec. 9. Prohibition on increases in medication copayment for veterans and imposition of healthcare enrollment fee for veterans.
- Sec. 10. Information for separating servicemembers on veterans benefits information.
- Sec. 11. Veterans outreach programs.
- Sec. 12. Retention of 38.6 percent top individual income tax rate.

1 **SEC. 2. FULL PAYMENT OF BOTH RETIRED PAY AND COM-**  
 2 **PENSATION TO DISABLED MILITARY RETIR-**  
 3 **EES.**

4 (a) RESTORATION OF FULL RETIRED PAY BENE-  
 5 FITS.—Section 1414 of title 10, United States Code, is  
 6 amended to read as follows:

7 **“§ 1414. Members eligible for retired pay who have**  
 8 **service-connected disabilities: payment of**  
 9 **retired pay and veterans’ disability com-**  
 10 **pensation**

11 **“(a) PAYMENT OF BOTH RETIRED PAY AND COM-**  
 12 **PENSATION.**—Except as provided in subsection (b), a  
 13 member or former member of the uniformed services who  
 14 is entitled to retired pay (other than as specified in sub-  
 15 section (c)) and who is also entitled to veterans’ disability  
 16 compensation is entitled to be paid both without regard  
 17 to sections 5304 and 5305 of title 38.

1       “(b) SPECIAL RULE FOR CHAPTER 61 CAREER RE-  
2 TIREES.—The retired pay of a member retired under  
3 chapter 61 of this title with 20 years or more of service  
4 otherwise creditable under section 1405 of this title at the  
5 time of the member’s retirement is subject to reduction  
6 under sections 5304 and 5305 of title 38, but only to the  
7 extent that the amount of the member’s retired pay under  
8 chapter 61 of this title exceeds the amount of retired pay  
9 to which the member would have been entitled under any  
10 other provision of law based upon the member’s service  
11 in the uniformed services if the member had not been re-  
12 tired under chapter 61 of this title.

13       “(c) EXCEPTION.—Subsection (a) does not apply to  
14 a member retired under chapter 61 of this title with less  
15 than 20 years of service otherwise creditable under section  
16 1405 of this title at the time of the member’s retirement.

17       “(d) DEFINITIONS.—In this section:

18               “(1) The term ‘retired pay’ includes retainer  
19 pay, emergency officers retirement pay, and naval  
20 pension.

21               “(2) The term ‘veterans’ disability compensa-  
22 tion’ has the meaning given the term ‘compensation’  
23 in section 101(13) of title 38.”.

1 (b) REPEAL OF SPECIAL COMPENSATION PRO-  
 2 GRAMS.—Sections 1413 and 1413a of such title are re-  
 3 pealed.

4 (c) CLERICAL AMENDMENT.—The table of sections  
 5 at the beginning of such chapter is amended by striking  
 6 the items relating to sections 1413, 1413a, and 1414 and  
 7 inserting the following:

“1414. Members eligible for retired pay who have service-connected disabilities:  
 payment of retired pay and veterans’ disability compensation.”.

8 (d) EFFECTIVE DATE.—The amendments made by  
 9 this section shall take effect on—

10 (1) the first day of the first month that begins  
 11 after the date of the enactment of this Act; or

12 (2) the first day of the fiscal year that begins  
 13 in the calendar year in which this Act is enacted, if  
 14 later than the date specified in paragraph (1).

15 (e) RETROACTIVE BENEFITS.—No benefits may be  
 16 paid to any person by reason of section 1414 of title 10,  
 17 United States Code, as amended by subsection (a), for any  
 18 period before the effective date specified in subsection (a).

19 **SEC. 3. REPEAL OF DEPENDENCY AND INDEMNITY COM-**  
 20 **PENSATION OFFSET FROM SURVIVOR BEN-**  
 21 **EFIT PLAN SURVIVING SPOUSE ANNUITIES.**

22 (a) REPEAL.—Subsections (c), (e), and (k) of section  
 23 1450 of title 10, United States Code, and subsection (c)(2)  
 24 of section 1451 of such title are repealed.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 subsection (a)—

3 (1) shall take effect on the later of October 1,  
4 2003, or the date of the enactment of this Act; and

5 (2) shall apply with respect to payment of an-  
6 nuities under subchapter II of chapter 73 of title 10,  
7 United States Code, for months beginning on or  
8 after that date.

9 (c) RECOUPMENT OF CERTAIN AMOUNTS PRE-  
10 VIOUSLY REFUNDED TO SBP RECIPIENTS.—(1) A sur-  
11 viving spouse who is in receipt of an SBP annuity that  
12 is in effect before the date specified in subsection (b) and  
13 that is adjusted by reason of the amendments made by  
14 subsection (a) and who had previously received an SBP  
15 retired pay refund shall repay an amount determined  
16 under paragraph (2). Any such repayment shall be made  
17 in the same manner as a repayment under subsection  
18 (k)(2) of section 1450 of title 10, United States Code, as  
19 in effect on the day before the date of the enactment of  
20 this Act.

21 (2) The amount of a repayment under paragraph (1)  
22 shall be the amount that bears the same ratio to the  
23 amount of that refund as the surviving spouse's life ex-  
24 pectancy (determined in accordance with standard actu-  
25 arial practices) bears to the anticipated total duration of

1 the annuity (determined as the sum of such life expectancy  
2 and the duration of the annuity already received).

3 (3) In this subsection:

4 (A) The term “SBP annuity” means an annu-  
5 ity under the program established under subchapter  
6 II of chapter 73 of title 10, United States Code.

7 (B) The term “SBP retired pay refund” means  
8 a refund under subsection (e) of section 1450 of title  
9 10, United States Code, as in effect before the date  
10 specified in subsection (b).

11 **SEC. 4. INCREASE IN AMOUNT OF BASIC EDUCATIONAL AS-**  
12 **SISTANCE FOR MEMBERS OF THE SELECTED**  
13 **RESERVE.**

14 (a) IN GENERAL.—(1) Paragraph (1) of section  
15 16131(b) of title 10, United States Code, is amended—

16 (A) in subparagraph (A), by striking “\$251”  
17 and inserting “\$600”;

18 (B) in subparagraph (B), by striking “\$188”  
19 and inserting “\$450”; and

20 (C) in subparagraph (C), by striking “\$125”  
21 and inserting “\$300”.

22 (2) The amendments made by paragraph (1) shall  
23 take effect on October 1, 2004, and shall apply with re-  
24 spect to educational assistance allowances under section

1 16131(b)(1) of such title paid for months after September  
2 2004.

3 (3) In the case of an educational assistance allowance  
4 under such section paid for months occurring during fiscal  
5 year 2004—

6 (A) subparagraph (A) of such section shall be  
7 applied by substituting “\$475” for “\$251”;

8 (B) subparagraph (B) of such section shall be  
9 applied by substituting “\$325” for “\$188”; and

10 (C) subparagraph (C) of such section shall be  
11 applied by substituting “\$215” for “\$125”.

12 (b) NO ADJUSTMENT FOR FISCAL YEARS 2004 AND  
13 2005.—Section 16131(b)(2) of such title shall not apply  
14 to rates of basic educational assistance paid under such  
15 section during fiscal years 2004 and 2005.

16 **SEC. 5. APPLICATION OF INDEX BASED ON COSTS OF HIGH-**  
17 **ER LEARNING.**

18 (a) IN GENERAL.—Section 16131(b)(2) of title 10,  
19 United States Code, is amended to read as follows:

20 “(2)(A) With respect to any fiscal year beginning on  
21 or after October 1, 2005, the Secretary shall provide a  
22 percentage increase (rounded to the nearest dollar) in the  
23 rates payable under paragraph (1) equal to the percentage  
24 (as determined by the Secretary) by which—

1           “(i) the average monthly costs of tuition and  
2           expenses for commuter students at public institu-  
3           tions of higher learning that award baccalaureate  
4           degrees for purposes of paragraph (1) for the fiscal  
5           year involved, exceeds

6           “(ii) such average monthly costs for the pre-  
7           ceding fiscal year.

8           “(B) The Secretary shall make the determination  
9           under subparagraph (A) after consultation with the Sec-  
10          retary of Education.

11          “(C) A determination made under subparagraph (A)  
12          in a year shall take effect on October 1 of that year and  
13          apply with respect to basic educational assistance allow-  
14          ances payable under this section for the fiscal year begin-  
15          ning in that year.

16          “(D) Not later than September 30 each year, the Sec-  
17          retary shall publish in the Federal Register the average  
18          monthly costs of tuition and expenses as determined under  
19          subparagraph (A) in that year.”.

20          (b) CONFORMING AMENDMENT.—(1) Section  
21          3015(h) of title 38, United States Code, is amended by  
22          striking “by which—” and all that follows and inserting  
23          “determined by the Secretary under section 16131(b)(2)  
24          of title 10 for the fiscal year involved.”.



1       (2) The amendment made by paragraph (1) shall  
2 apply to fiscal years beginning on or after October 1,  
3 2005.

4 **SEC. 6. ONE-TIME BONUS FOR CERTAIN SERVICE IN CON-**  
5 **NECTION WITH OPERATION IRAQI FREEDOM**  
6 **OR OPERATION ENDURING FREEDOM.**

7       (a) ARMY, NAVY, AIR FORCE, AND MARINE  
8 CORPS.—The Secretary of Defense shall provide for the  
9 payment of a bonus under this section to each member  
10 of the Army, Navy, Air Force, or Marine Corps who, at  
11 any time during the service of the member in connection  
12 with Operation Iraqi Freedom or Operation Enduring  
13 Freedom, satisfied or satisfies the eligibility criteria for  
14 receipt of special pay under section 310 of title 37, United  
15 States Code, for duty subject to hostile fire or imminent  
16 danger.

17       (b) COAST GUARD.—The Secretary of Homeland Se-  
18 curity shall provide for the payment of a bonus under this  
19 section to each member of the Coast Guard who, at any  
20 time during the service of the member in connection with  
21 Operation Iraqi Freedom or Operation Enduring Free-  
22 dom, satisfied or satisfies the eligibility criteria for receipt  
23 of special pay under such section.

24       (c) AMOUNT OF BONUS.—The amount of the bonus  
25 paid under this section shall be equal to \$1,000.

1 (d) ENTITLEMENT LIMITED TO SINGLE BONUS PAY-  
2 MENT.—A member may not receive more than one bonus  
3 under the authority of this section.

4 **SEC. 7. AUTHORIZATION OF ADDITIONAL FUNDING FOR**  
5 **VETERANS MEDICAL CARE.**

6 (a) AUTHORIZATION.—There are authorized to be ap-  
7 propriated to the Department of Veterans Affairs, in addi-  
8 tion to amounts otherwise authorized to be appropriated,  
9 the amount of \$1,000,000,000 for each of fiscal years  
10 2004 through 2013.

11 (b) IMPROVED ACCESS TO CARE.—Amounts appro-  
12 priated pursuant to the authorization of appropriations in  
13 subsection (a) shall be used to ensure that veterans seek-  
14 ing healthcare from the Department of Veterans Affairs  
15 receive their initial appointment for healthcare for a date  
16 that is not later than 30 days after the date on which  
17 the request is made.

18 **SEC. 8. INTERIM PAYMENTS UNDER CERTAIN VETERANS**  
19 **CLAIMS WHEN DECISION IS DELAYED FOL-**  
20 **LOWING REMAND FOR EXPEDITED CONSID-**  
21 **ERATION.**

22 (a) IN GENERAL.—(1) Chapter 53 of title 38, United  
23 States Code, is amended by adding at the end the fol-  
24 lowing new section:

1   **“§ 5320. Interim benefits under certain remanded**  
2                   **cases**

3           “(a) INTERIM BENEFITS.—When a claim for benefits  
4 under the jurisdiction of the Secretary is remanded by the  
5 United States Court of Appeals for Veterans Claims or  
6 by the Board for Veterans’ Appeals in a case to which  
7 section 302 of Public Law 103–446 (38 U.S.C. 5101 note)  
8 applies, if the Secretary does not make a decision on the  
9 matter within 180 days of the date of the remand decision,  
10 then until such matter is finally decided, the Secretary  
11 shall pay an interim benefit in the amount of \$500 per  
12 month to each claimant under the claim. Such payments  
13 shall commence as of the first month beginning after the  
14 end of such 180-day period.

15           “(b) EFFECT ON INTERIM BENEFIT PAYMENTS OF  
16 FINAL DECISION ON CLAIM.—When a claim with respect  
17 to which interim benefits are being paid under subsection  
18 (b) is finally decided—

19                   “(1) if the final decision is to award benefits,  
20 the amounts paid as interim benefits shall be consid-  
21 ered to be an advance payment of benefits owed for  
22 any period before the date of such final decision (ex-  
23 cept that if the total amount of interim benefits paid  
24 is greater than the amount of retroactive benefits,  
25 the amount of the difference shall not be considered  
26 to be an overpayment for any purpose); and

1           “(2) if the final decision is not to award bene-  
2       fits, the amounts paid as interim benefits shall not  
3       be considered to be an overpayment for any pur-  
4       pose.”.

5       (2) The table of sections at the beginning of such  
6 chapter is amended by adding at the end the following  
7 new item:

“5320. Interim benefits under certain remanded cases.”.

8       (b) EFFECTIVE DATE.—Section 5320 of title 38,  
9 United States Code, as added by subsection (a), shall  
10 apply with respect to any decision remanded by the Court  
11 of Appeals for Veterans Claims or the Board of Veterans’  
12 Appeals on or after the date of the enactment of this Act.

13       (c) REPORT.—Not later than six months after the  
14 date of the enactment of this Act, the Secretary of Vet-  
15 erans Affairs shall submit to Congress a report on meas-  
16 ures the Secretary intends to take to expedite the proc-  
17 essing of remanded claims for veterans benefits.

18 **SEC. 9. PROHIBITION ON INCREASES IN MEDICATION CO-**  
19 **PAYMENT FOR VETERANS AND IMPOSITION**  
20 **OF HEALTHCARE ENROLLMENT FEE FOR**  
21 **VETERANS.**

22       (a) MEDICATION COPAYMENTS.—During the period  
23 beginning on the date of the enactment of this Act and  
24 ending on October 1, 2004, the Secretary of Veterans Af-  
25 fairs may not implement under subsection (b) of section

1 1722A of title 38, United States Code, an increase in the  
 2 copayment for medications required under subsection (a)  
 3 of that section.

4 (b) ENROLLMENT FEE.—During the period begin-  
 5 ning on the date of the enactment of this Act and ending  
 6 on October 1, 2004, the Secretary of Veterans Affairs may  
 7 not implement an enrollment fee for veterans enrolling (or  
 8 renewing enrollment) in the Department of Veterans Af-  
 9 fairs healthcare system under section 1705 of such title.

10 **SEC. 10. INFORMATION FOR SEPARATING**  
 11 **SERVICEMEMBERS ON VETERANS BENEFITS**  
 12 **INFORMATION.**

13 (a) INFORMATION ON FINAL PAY STUB.—Section  
 14 1142 of title 10, United States Code, is amended by add-  
 15 ing at the end the following new subsection:

16 “(d) INFORMATION ON ACCESS TO VETERANS BENE-  
 17 FITS.—The Secretary concerned shall include on the final  
 18 statement of pay and allowances provided to a member  
 19 who is separating from active duty or an active status in-  
 20 formation on how to contact the Department of Veterans  
 21 Affairs for information concerning veterans benefits and  
 22 the Department of Labor for information concerning em-  
 23 ployment opportunities.”.

24 (b) EFFECTIVE DATE.—Subsection (d) of section  
 25 1142 of title 10, United States Code, as added by sub-

1 section (a), shall apply with respect to persons separating  
2 from active duty or an active status in the Armed Forces  
3 after the end of the 60-day period beginning on the date  
4 of the enactment of this Act.

5 **SEC. 11. VETERANS OUTREACH PROGRAMS.**

6 (a) INFORMATION ON VETERANS BENEFITS.—Sec-  
7 tion 7722(c) of title 38, United States Code, is amended  
8 by adding at the end the following new paragraphs:

9 “(3) Information provided under this subsection shall  
10 include information on how to apply for benefits for which  
11 the veteran or dependent may be eligible, including infor-  
12 mation about assistance available under subsection (d).

13 “(4) In the case of veterans or dependents who are  
14 members of distinct beneficiary populations (such as sur-  
15 vivors of veterans), the Secretary shall ensure that infor-  
16 mation provided under this subsection includes specific in-  
17 formation about benefits relating to that population.”.

18 (b) ANNUAL OUTREACH PLAN.—(1) Chapter 77 of  
19 such title is amended by inserting at the end of subchapter  
20 II the following new section:

21 **“§ 7728. Annual outreach plan**

22 “(a) The Secretary shall prepare an annual plan for  
23 the conduct of outreach activities under this subchapter.  
24 The Secretary shall include in the annual plan—

1           “(1) efforts to identify veterans who are not  
2 otherwise enrolled or registered with the Department  
3 for benefits or services under programs administered  
4 by the Secretary; and

5           “(2) provisions for informing veterans and de-  
6 pendants of any changes in benefit programs or  
7 health care eligibility.

8           “(b) In developing the annual plan, the Secretary  
9 shall consult with the following:

10           “(1) Directors or other responsible officials of  
11 veterans service organizations.

12           “(2) Directors or other responsible officials of  
13 local education and training programs.

14           “(3) Representatives of veterans outreach pro-  
15 grams.

16           “(4) Local veterans employment representa-  
17 tives.

18           “(5) Business and professional organizations.

19           “(6) Other appropriate individuals or organiza-  
20 tions that could assist veterans in adjusting to a  
21 self-sufficient civilian life.

22           “(c) The annual report required by section 7726 of  
23 this title shall include specific information concerning the  
24 effectiveness of the outreach plan developed pursuant to  
25 this section.”.

1       (2) The table of sections at the beginning of such  
2 chapter is amended by inserting after the item relating  
3 to section 7727 the following new item:

“7728. Annual outreach plan.”.

4   **SEC. 12. RETENTION OF 38.6 PERCENT TOP INDIVIDUAL IN-**  
5                   **COME TAX RATE.**

6       (a) IN GENERAL.—The table contained in section  
7 1(i)(2) of the Internal Revenue Code of 1986, as amended  
8 by the Jobs and Growth Tax Relief Reconciliation Act of  
9 2003, is amended by striking “35.0%” and inserting  
10 “38.6%”.

11       (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2002.

○