

108TH CONGRESS  
1ST SESSION

# S. 1133

To amend title 38, United States Code, to improve the authorities of the Department of Veterans Affairs relating to compensation, dependency and indemnity compensation, pension, education benefits, life insurance benefits, and memorial benefits, to improve the administration of benefits for veterans, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 22, 2003

Mr. SPECTER (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to improve the authorities of the Department of Veterans Affairs relating to compensation, dependency and indemnity compensation, pension, education benefits, life insurance benefits, and memorial benefits, to improve the administration of benefits for veterans, and for other purposes.

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; REFERENCES TO TITLE 38,**  
4 **UNITED STATES CODE.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “Veterans Programs Improvement Act of 2003”.

1 (b) REFERENCES.—Except as otherwise expressly  
 2 provided, wherever in this Act an amendment is expressed  
 3 in terms of an amendment to a section or other provision,  
 4 the reference shall be considered to be made to a section  
 5 or other provision of title 38, United States Code.

6 **SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSA-**  
 7 **TION AND DEPENDENCY AND INDEMNITY**  
 8 **COMPENSATION.**

9 (a) RATE ADJUSTMENT.—The Secretary of Veterans  
 10 Affairs shall, effective on December 1, 2003, increase the  
 11 dollar amounts in effect for the payment of disability com-  
 12 pensation and dependency and indemnity compensation by  
 13 the Secretary, as specified in subsection (b).

14 (b) AMOUNTS TO BE INCREASED.—The dollar  
 15 amounts to be increased pursuant to subsection (a) are  
 16 the following:

17 (1) COMPENSATION.—Each of the dollar  
 18 amounts in effect under section 1114.

19 (2) ADDITIONAL COMPENSATION FOR DEPEND-  
 20 ENTS.—Each of the dollar amounts in effect under  
 21 section 1115(1).

22 (3) CLOTHING ALLOWANCE.—The dollar  
 23 amount in effect under section 1162.

1           (4) NEW DIC RATES.—Each of the dollar  
2 amounts in effect under paragraphs (1) and (2) of  
3 section 1311(a).

4           (5) OLD DIC RATES.—Each of the dollar  
5 amounts in effect under section 1311(a)(3).

6           (6) ADDITIONAL DIC FOR SURVIVING SPOUSES  
7 WITH MINOR CHILDREN.—The dollar amount in ef-  
8 fect under section 1311(b);

9           (7) ADDITIONAL DIC FOR DISABILITY.—Each of  
10 the dollar amounts in effect under subsections (c)  
11 and (d) of section 1311.

12           (8) DIC FOR DEPENDENT CHILDREN.—Each of  
13 the dollar amounts in effect under sections 1313(a)  
14 and 1314.

15           (c) DETERMINATION OF INCREASE.—

16           (1) The increase under subsection (a) shall be  
17 made in the dollar amounts specified in subsection  
18 (b) as in effect on November 30, 2003.

19           (2) Except as provided in paragraph (3), each  
20 such amount shall be increased by the same percent-  
21 age as the percentage by which benefit amounts pay-  
22 able under title II of the Social Security Act (42  
23 U.S.C. 401 et seq.) are increased effective December  
24 1, 2003, as a result of a determination under section  
25 215(i) of such Act (42 U.S.C. 415(i)).

1           (3) Each dollar amount increased pursuant to  
 2           paragraph (2) shall, if not a whole dollar amount, be  
 3           rounded down to the next lower whole dollar  
 4           amount.

5           (d) SPECIAL RULE.—The Secretary may adjust ad-  
 6           ministratively, consistent with the increases made under  
 7           subsection (a), the rates of disability compensation pay-  
 8           able to persons within the purview of section 10 of Public  
 9           Law No. 85–857 (72 Stat. 1263) who are not in receipt  
 10          of compensation payable pursuant to chapter 11 of title  
 11          38, United States Code.

12          (e) PUBLICATION OF ADJUSTED RATES.—At the  
 13          same time as the matters specified in section 215(i)(2)(D)  
 14          of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are  
 15          required to be published by reason of a determination  
 16          made under section 215(i) of such Act during fiscal year  
 17          2004, the Secretary of Veterans Affairs shall publish in  
 18          the Federal Register the amounts specified in subsection  
 19          (b) as increased pursuant to subsection (a).

20       **SEC. 3. REPEAL OF 45-DAY RULE FOR EFFECTIVE DATE OF**  
 21               **AWARD OF DEATH PENSION.**

22          Subsection (d) of section 5110 is amended—

23               (1) by striking the designation “(1)”;

24               (2) by striking “death compensation or depend-  
 25          ency and indemnity compensation” and inserting

1 “death compensation, dependency and indemnity  
2 compensation, or death pension”; and

3 (3) by striking paragraph (2).

4 **SEC. 4. EXCLUSION OF LUMP-SUM LIFE INSURANCE PRO-**  
5 **CEEDS FROM DETERMINATIONS OF ANNUAL**  
6 **INCOME FOR PENSION PURPOSES.**

7 Subsection (a) of section 1503 is amended—

8 (1) by striking “and” at the end of paragraph  
9 (9);

10 (2) by striking “materials.” at the end of para-  
11 graph (10)(B) and inserting “materials; and”; and

12 (3) by adding at the end the following new  
13 paragraph:

14 “(11) lump-sum proceeds of any life insurance  
15 policy or policies on a veteran, for purposes of pen-  
16 sion under subchapter III of this chapter.”.

17 **SEC. 5. CLARIFICATION OF PROHIBITION ON PAYMENT OF**  
18 **COMPENSATION FOR ALCOHOL OR DRUG-RE-**  
19 **LATED DISABILITY.**

20 (a) CLARIFICATION.—Chapter 11 is amended—

21 (1) in section 1110, by striking “drugs.” and  
22 inserting “drugs, even if the abuse is secondary to  
23 a service-connected disability.”; and

1           (2) in section 1131, by striking “drugs.” and  
 2           inserting “drugs, even if the abuse is secondary to  
 3           a service-connected disability.”.

4           (b) APPLICABILITY.—The amendments made by sub-  
 5           section (a) shall apply to any claim—

6           (1) filed on or after the date of enactment of  
 7           this Act; or

8           (2) filed before the date of enactment of this  
 9           Act and not finally decided as of that date.

10 **SEC. 6. ALTERNATIVE BENEFICIARIES FOR NATIONAL**  
 11 **SERVICE LIFE INSURANCE AND UNITED**  
 12 **STATES GOVERNMENT LIFE INSURANCE.**

13           (a) NATIONAL SERVICE LIFE INSURANCE.—

14           (1) Section 1917 is amended by adding at the  
 15           end the following new subsection:

16           “(f)(1) Following the death of the insured and in a  
 17           case not covered by subsection (d)—

18           “(A) if the first beneficiary otherwise entitled to  
 19           payment of the insurance does not make a claim for  
 20           such payment within two years after the death of  
 21           the insured, payment may be made to another bene-  
 22           ficiary designated by the insured, in the order of  
 23           precedence as designated by the insured, as if the  
 24           first beneficiary had predeceased the insured; and

1           “(B) if, within four years after the death of the  
 2           insured, no claim has been filed by a person des-  
 3           ignated by the insured as a beneficiary and the Sec-  
 4           retary has not received any notice in writing that  
 5           any such claim will be made, payment may (notwith-  
 6           standing any other provision of law) be made to  
 7           such person as may in the judgment of the Secretary  
 8           be equitably entitled thereto.

9           “(2) Payment of insurance under paragraph (1) shall  
 10          be a bar to recovery by any other person.”.

11          (b) UNITED STATES GOVERNMENT LIFE INSUR-  
 12          ANCE.—Section 1952 is amended by adding at the end  
 13          the following new subsection:

14          “(c)(1) Following the death of the insured and in a  
 15          case not covered by section 1950 of this title—

16               “(A) if the first beneficiary otherwise entitled to  
 17               payment of the insurance does not make a claim for  
 18               such payment within two years after the death of  
 19               the insured, payment may be made to another bene-  
 20               ficiary designated by the insured, in the order of  
 21               precedence as designated by the insured, as if the  
 22               first beneficiary had predeceased the insured; and

23               “(B) if, within four years after the death of the  
 24               insured, no claim has been filed by a person des-  
 25               ignated by the insured as a beneficiary and the Sec-

1       retary has not received any notice in writing that  
 2       any such claim will be made, payment may (notwith-  
 3       standing any other provision of law) be made to  
 4       such person as may in the judgment of the Secretary  
 5       be equitably entitled thereto.

6       “(2) Payment of insurance under paragraph (1) shall  
 7       be a bar to recovery by any other person.”.

8       (c) TRANSITION PROVISION.—In the case of a person  
 9       insured under subchapter I or II of chapter 19, title 38,  
 10       United States Code, who dies before the date of the enact-  
 11       ment of this Act, the two-year and four-year periods speci-  
 12       fied in subsection (f)(1) of section 1917 of title 38, United  
 13       States Code, as added by subsection (a), and subsection  
 14       (c)(1) of section 1952 of such title, as added by subsection  
 15       (b), as applicable, shall for purposes of the applicable sub-  
 16       section be treated as being the two-year and four-year pe-  
 17       riods, respectively, beginning on the date of the enactment  
 18       of this Act.

19       **SEC. 7. TIME LIMITATION ON RECEIPT OF CLAIM INFORMA-**  
 20                                   **TION PURSUANT TO REQUEST BY DEPART-**  
 21                                   **MENT OF VETERANS AFFAIRS.**

22       (a) IN GENERAL.—Section 5102 is amended by add-  
 23       ing at the end the following new subsection:

24       “(c) TIME LIMITATION.—



1           “(1) If information that a claimant and the  
 2           claimant’s representative, if any, are notified under  
 3           subsection (b) is necessary to complete an applica-  
 4           tion is not received by the Secretary within one year  
 5           from the date of such notification, no benefit may be  
 6           paid or furnished by reason of the claimant’s appli-  
 7           cation.

8           “(2) This subsection shall not apply to any ap-  
 9           plication or claim for Government life insurance ben-  
 10          efits.”.

11          (b) REPEAL OF SUPERSEDED PROVISIONS.—Section  
 12          5103 is amended—

13                 (1) by striking “(a) REQUIRED INFORMATION  
 14          AND EVIDENCE.—”; and

15                 (2) by striking subsection (b).

16          (c) EFFECTIVE DATE.—The amendments made by  
 17          this section shall take effect as if enacted on November  
 18          9, 2000, immediately after the enactment of the Veterans  
 19          Claims Assistance Act of 2000 (Public Law 106–475; 114  
 20          Stat. 2096).

21          **SEC. 8. BURIAL PLOT ALLOWANCE.**

22          (a) Subsection (b) of section 2303 is amended—

23                 (1) in the matter preceding paragraph (1), by  
 24          striking “a burial allowance under such section  
 25          2302, or under such subsection, who was discharged

1 from the active military, naval, or air service for a  
 2 disability incurred or aggravated in line of duty, or  
 3 who is a veteran of any war” and inserting “burial  
 4 in a national cemetery under section 2402 of this  
 5 title”; and

6 (2) in paragraph (2), by striking “(other than  
 7 a veteran whose eligibility for benefits under this  
 8 subsection is based on being a veteran of any war)”  
 9 and inserting “is eligible for a burial allowance  
 10 under section 2302 of this title or under subsection  
 11 (a) of this section, or was discharged from the active  
 12 military, naval, or air service for a disability in-  
 13 curred or aggravated in line of duty, and such vet-  
 14 eran”.

15 (b) Section 2307 is amended in the last sentence by  
 16 striking “and (b)” and inserting “and (b)(2)”.

17 **SEC. 9. PROVISION OF MARKERS FOR PRIVATELY MARKED**  
 18 **GRAVES.**

19 (a) IN GENERAL.—Subsection (d) of section 502 of  
 20 the Veterans Education and Benefits Expansion Act of  
 21 2001 (Public Law 107–103; 115 Stat. 995), as amended  
 22 by section 203 of the Veterans Benefits Act of 2002 (Pub-  
 23 lic Law 107–330; 116 Stat. 2824), is further amended by  
 24 striking “September 11, 2001” and inserting “November  
 25 1, 1990”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall take effect as if included in the enact-  
3 ment of section 502 of Public Law 107–103.

4 **SEC. 10. EXPANSION OF BURIAL ELIGIBILITY FOR REMAR-**  
5 **RIED SPOUSES.**

6 (a) IN GENERAL.—Paragraph (5) of section 2042 is  
7 amended by striking “(which for purposes of this chapter  
8 includes an unremarried surviving spouse who had a sub-  
9 sequent remarriage which was terminated by death or di-  
10 vorce)” and inserting “(which for purposes of this chapter  
11 includes a surviving spouse who remarries following the  
12 veteran’s death)”.

13 (b) EFFECTIVE DATE.—The amendments made by  
14 subsection (a) shall apply to deaths occurring on or after  
15 the date of the enactment of this Act.

16 **SEC. 11. MAKE PERMANENT AUTHORITY FOR STATE CEME-**  
17 **TERY GRANTS PROGRAM.**

18 (a) PERMANENT AUTHORIZATION.—Paragraph (2)  
19 of section 2408(a) is amended—

20 (1) by striking “for fiscal year 1999 and for  
21 each succeeding fiscal year through fiscal year  
22 2004”; and

23 (2) by adding at the end “Funds appropriated  
24 under the preceding sentence shall remain available  
25 until expended.”.

1 (b) TECHNICAL AMENDMENT.—Subsection (e) of sec-  
 2 tion 2408 is amended by striking “Sums appropriated  
 3 under subsection (a) of this section shall remain available  
 4 until expended.”.

5 **SEC. 12. FORFEITURE OF BENEFITS FOR SUBVERSIVE AC-**  
 6 **TIVITIES.**

7 (a) ADDITION OF CERTAIN OFFENSES.—Paragraph  
 8 (2) of section 6105(b) is amended by striking “sections  
 9 792, 793, 794, 798, 2381, 2382, 2383, 2384, 2385, 2837,  
 10 2388, 2389, 2390, and chapter 105 of title 18” and in-  
 11 serting “sections 175, 229, 792, 793, 794, 798, 831,  
 12 1091, 2332a, 2332b, 2381, 2382, 2383, 2384, 2385,  
 13 2387, 2388, 2389, 2390, and chapter 105 of title 18”.

14 (b) EFFECTIVE DATE.—The amendment made by  
 15 subsection (a) shall apply to claims filed after the date  
 16 of the enactment of this Act.

17 **SEC. 13. VETERANS’ ADVISORY COMMITTEE ON EDU-**  
 18 **CATION.**

19 Section 3692 is amended—

20 (1) in subsection (a), by inserting “as far as  
 21 practicable” after “include”;

22 (2) in subsections (a) and (b), by striking  
 23 “chapter 106” and inserting “chapter 1606” both  
 24 places it appears; and

1           (3) in subsection (c), by striking “2003” and  
2           inserting “2013”.

3   **SEC. 14. REPEAL OF EDUCATION LOAN PROGRAM.**

4           (a) **TERMINATION OF PROGRAM.**—No loans shall be  
5   made under subchapter III of chapter 36 after the date  
6   of the enactment of this Act, and such subchapter shall  
7   be repealed 90 days after such date of enactment.

8           (b) **CLOSING OF LOAN FUND.**—All monies in the re-  
9   volving fund established in the Treasury of the United  
10   States of America known as the “Department of Veterans  
11   Affairs Education Loan Fund” (the “Fund”) on the day  
12   before the date of repeal of such subchapter III shall be  
13   transferred to the Department of Veterans Affairs Read-  
14   justment Benefits Account, and the Fund shall be closed.

15          (c) **DISCHARGE OF LIABILITY.**—The liability on any  
16   education loan debt outstanding under such subchapter  
17   III shall be discharged, and any overpayments declared  
18   under section 3698(e)(1) of that subchapter shall be  
19   waived without further process on the date funds are  
20   transferred as referred to in subsection (b) of this section.

21          (d) **TECHNICAL AMENDMENT.**—On the date of repeal  
22   of such subchapter III, as provided herein, the table of  
23   sections at the beginning of chapter 36 shall be amended  
24   by striking the items relating to subchapter III.

25          (e) **CONFORMING AMENDMENTS.**—

1 (1) Chapter 34 is amended—

2 (A) by repealing paragraph (2) of section  
3 3462(a); and

4 (B) in paragraph (1) of section 3485(e),  
5 by striking “(other than an education loan  
6 under subchapter III)”.

7 (2) Section 3512 is amended by repealing sub-  
8 section (f).

9 (3) The amendments made by paragraphs  
10 (1)(B) and (2) shall take effect 90 days after the  
11 date of the enactment of this Act.

12 **SEC. 15. RESTORATION OF CHAPTER 35 EDUCATION BENE-**  
13 **FITS OF CERTAIN INDIVIDUALS.**

14 (a) RESTORATION.—Subsection (h) of section 3512  
15 is amended by inserting “or is involuntarily ordered to  
16 full-time National Guard duty under section 502(f) of title  
17 32” following “title 10”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 subsection (a) shall take effect as of September 11, 2001.

20 **SEC. 16. EXPANSION OF MONTGOMERY GI BILL EDUCATION**  
21 **BENEFITS FOR CERTAIN SELF-EMPLOYMENT**  
22 **TRAINING.**

23 (a) SELF-EMPLOYMENT TRAINING.—Subparagraph  
24 (B) of section 3002(3) is amended—

25 (1) in clause (i) by striking “and”;

1 (2) by adding at the end the following clause:

2 “(iii) a program of self-employment  
3 on-job training approved as provided in  
4 section 3677(d) of this title; and”.

5 (b) PROGRAM APPROVAL.—Section 3677 is amend-  
6 ed—

7 (1) in subsections (a) and (c), by inserting  
8 “self-employment on-job training or” after “(other  
9 than”;

10 (2) in subsection (b)(1), by inserting “described  
11 in subsection (a)” after “offering training”; and

12 (3) by adding at the end the following new sub-  
13 section:

14 “(d)(1) Any State approving agency may approve a  
15 program of self-employment on-job training for purposes  
16 of chapter 30 of this title only when it finds that the train-  
17 ing is generally recognized as needed or accepted for pur-  
18 poses of obtaining licensure to engage in the self-employ-  
19 ment occupation or is required for ownership and oper-  
20 ation of a franchise that is the objective of the training.

21 “(2) The training entity offering the training for  
22 which approval is sought under this chapter must submit  
23 to the State approving agency a written application for  
24 approval, in the form and with the content as prescribed

1 by the Secretary, which shall include such information as  
2 is required by the State approving agency.

3 “(3) As a condition for approving a program of self-  
4 employment on-job training, the State approving agency  
5 must find upon investigation that the following criteria are  
6 met:

7 “(A) The training content is adequate to qual-  
8 ify the eligible individual for the self-employment oc-  
9 cupation that is the objective of the training.

10 “(B) The training consists of full-time training  
11 for a period of less than six months.

12 “(C) The length of the training period is not  
13 longer than that customarily required to obtain the  
14 knowledge, skills, and experience needed to success-  
15 fully engage in the particular self-employment occu-  
16 pation that is the objective of the training.

17 “(D) The training entity has adequate instruc-  
18 tional space, equipment, materials, and personnel to  
19 provide satisfactory training on the job.

20 “(E) The training entity keeps adequate  
21 records of each trainee’s progress toward the self-  
22 employment objective and, at the end of the training  
23 period, issues a license, certificate, or other docu-  
24 ment recording the individual’s successful completion  
25 of the training program.



1           “(F) The training entity and the self-employ-  
2           ment on-job training program meet such other cri-  
3           teria as the Secretary may prescribe and as the  
4           State approving agency, with the Secretary’s ap-  
5           proval, may establish.”.

6           (c) CONFORMING AMENDMENT.—Paragraph (2) of  
7           section 3687(a) is amended by inserting “subsections (a),  
8           (b), and (c) of” before “section 3677”.

9           (d) EFFECTIVE DATE.—The amendments made by  
10          this section shall take effect on the date six months after  
11          the enactment of this Act and shall apply to self-employ-  
12          ment on-job training approved and pursued on or after  
13          that date.

○