

108TH CONGRESS
1ST SESSION

S. 257

To amend title 38, United States Code, to clarify the applicability of the prohibition on assignment of veterans benefits to agreements regarding future receipt of compensation, pension, or dependency and indemnity compensation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2003

Mr. NELSON of Florida (for himself, Mr. MCCAIN, Mr. INOUE, Mr. LEVIN, Mr. BINGAMAN, Mr. KERRY, Mr. BREAUX, Mr. CONRAD, Mr. JOHNSON, Ms. LANDRIEU, Mr. SESSIONS, and Mr. NELSON of Nebraska) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to clarify the applicability of the prohibition on assignment of veterans benefits to agreements regarding future receipt of compensation, pension, or dependency and indemnity compensation, 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.**

4 This Act may be cited as the “Veterans Benefits and
5 Pensions Protection Act of 2003”.

1 **SEC. 2. APPLICABILITY OF PROHIBITION ON ASSIGNMENT**
2 **OF VETERANS BENEFITS TO AGREEMENTS**
3 **ON FUTURE RECEIPT OF CERTAIN BENEFITS.**

4 (a) IN GENERAL.—Section 5301(a) of title 38,
5 United States Code, is amended—

6 (1) by inserting “(1)” after “(a)”;

7 (2) by designating the last sentence as para-
8 graph (2) and indenting such paragraph, as so des-
9 ignated, two ems from the left margin; and

10 (3) by adding at the end the following new
11 paragraph:

12 “(3)(A) For purposes of this subsection, in any case
13 where a beneficiary entitled to compensation, pension, or
14 dependency and indemnity compensation enters into an
15 agreement with another person under which agreement
16 such other person acquires for consideration the right to
17 receive payment of such compensation, pension, or de-
18 pendency and indemnity compensation, as the case may
19 be, whether by payment from the beneficiary to such other
20 person, deposit into an account from which such other per-
21 son may make withdrawals, or otherwise, such agreement
22 shall be deemed to be an assignment and is prohibited.

23 “(B) Any agreement or arrangement for collateral for
24 security for an agreement that is prohibited under sub-
25 paragraph (A) is also prohibited.

1 “(C)(i) Any person who enters into an agreement
2 that is prohibited under subparagraph (A), or an agree-
3 ment or arrangement that is prohibited under subpara-
4 graph (B), shall be fined under title 18, imprisoned for
5 not more than one year, or both.

6 “(ii) This subparagraph does not apply to a bene-
7 ficiary with respect to compensation, pension, or disability
8 and indemnity compensation to which the beneficiary is
9 entitled under a law administered by the Secretary.”.

10 (b) EFFECTIVE DATES.—(1) Subparagraphs (A) and
11 (B) of paragraph (3) of section 5301(a) of title 38, United
12 States Code (as added by subsection (a) of this section),
13 shall apply with respect to any agreement or arrangement
14 described in such subparagraphs, whether entered into be-
15 fore, on, or after the date of the enactment of this Act,
16 and any such agreement or arrangement entered into be-
17 fore the date of the enactment of this Act is void and un-
18 enforceable as of such date.

19 (2) Subparagraph (C) of such paragraph shall apply
20 with respect to any agreement or arrangement covered by
21 such subparagraph that is entered into on or after the
22 date of the enactment of this Act.

23 (c) OUTREACH.—The Secretary of Veterans Affairs
24 shall, during the five-year period beginning on the date
25 of the enactment of this Act, carry out a program of out-

1 reach to inform veterans and other recipients or potential
2 recipients of compensation, pension, or disability and in-
3 demnity compensation benefits under the laws adminis-
4 tered by the Secretary of the prohibition on the assign-
5 ability of such benefits under law. The program shall in-
6 clude information on various schemes to evade the prohibi-
7 tion, and means of avoiding such schemes.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
9 hereby authorized to be appropriated for the Department
10 of Veterans Affairs for each of fiscal years 2004 through
11 2008, \$3,000,000 for purposes of carrying out the pro-
12 gram of outreach required by subsection (c).

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