

Senator Susan M. Collins
Statement on Widow's Tax Amendment #269 to the NDAA
June 24, 2019

Mr. President, I rise today with my colleague from Alabama, Senator Jones, to urge our colleagues' support for our amendment to the *National Defense Authorization Act*. It would repeal the Survivor Benefit Plan – Dependency and Indemnity Compensation offset, more commonly known as the Military Widow's Tax. This unfair offset is currently preventing as many as 65,000 surviving military spouses, more than 260 of them in the state of Maine, from receiving the full benefits they deserve.

The Defense Department's Survivors Benefits Plan, or SBP, is primarily an insurance benefit that military families purchase in their retirement. It provides cash benefits to a surviving spouse or other eligible recipients when a retiree passes away. On the other hand, the Department of Veterans Affairs' Dependency and Indemnity Compensation, known as DIC, is a monthly tax-free payment to survivors and dependents of service members who pass away from service-related conditions.

For example, if a military retiree pays premiums into the SBP insurance program, then his or her spouse ought to be able to receive those benefits when the retiree passes away. What we find instead, however, is that surviving spouses receiving these insurance payments have a dollar-for-dollar offset for the separate payments that they are receiving from the VA. In some cases, this leads to the total elimination of the SBP benefit. In other cases, the offset greatly reduces the benefit. In either case, it is out-and-out unfair and harms the survivors of our service members and military retirees. The average offset amounts to about \$925 per month, which is often a significant amount of money that a widow or widower needs to help support their families or themselves in the absence of their spouses.

Military Commanders often say that you “recruit the soldier,” but you “retain the family.” We have an obligation to make sure that we are taking care of our military families who have sacrificed so much for our country.

Our amendment has the support of numerous military and veterans advocacy groups, including the Gold Star Wives of America, the Military Officers Association of America, the National Military Family Association, the Tragedy Assistance Program for Survivors, and the VFW, among others.

More than 75 Senators – three quarters of the members of this chamber – and 340 members of the House of Representatives support the effort that Senator Jones and I have led by cosponsoring our standalone bill. In fact this legislation has been adopted by the Senate in the past, numerous times, always by overwhelming margins or by a voice-vote, only to be later stripped out in the conference process.

This problem goes back decades, but this year we can finally solve it once and for all. It is time for us to do our duty, not only to support the brave men and women of our military, but also to support their families. I encourage each of our colleagues to join in this bipartisan effort and support the repeal of the Military Widow's Tax as part of NDAA.