

[Floor Situation](#) | [Summary](#) | [Background](#) | [Cost](#) | [Staff Contact](#)

## [H.R. 675, Veterans' Compensation Cost-of-Living Adjustment Act of 2015](#)

### FLOOR SITUATION

On Monday, July 27, 2015, the House will consider [H.R. 675](#), the Veterans' Compensation Cost-of-Living Adjustment Act of 2015, under suspension of the rules. H.R. 675 was introduced on February 3, 2015, by Rep. Ralph Abraham (R-LA) and was referred to the Committee on Veterans' Affairs, which ordered the bill reported, as amended, by voice vote on May 21, 2015.

### SUMMARY

H.R. 675 would increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans based upon Cost-Of-Living Adjustments (COLA). The bill also includes provisions to improve the U.S. Court of Appeals for Veterans Claims (CAVC), and to improve the processing of claims by the Secretary of Veterans Affairs. The bill would be effective on December 1, 2015.

Major provisions of the bill are as follows:<sup>1</sup>

**Cost-of-Living Adjustment (COLA) for Disabled Veterans**—the bill specifies that benefits paid out by specified programs established for disabled veterans and their dependents shall be subject to COLA<sup>2</sup> increases. The bill also requires that increases in payments based upon COLA adjustments would be rounded down to the next lower whole dollar.

**Increased Transparency of VA Performance Metrics**—the bill would require VA to post on its website information about the average processing times for all claims submitted, claims filed by veterans service organizations or other persons on the behalf of veterans, and claims filed by the veteran. The bill also would require VA to provide a notice containing information on processing times for submitted claims to all individuals who submit claims for benefits with the Department.

<sup>1</sup> See [House Report 114-206](#)

<sup>2</sup> As defined by Title II of the Social Security Act

**Interim Payments of Adjudicated Claims**—the bill would require the VA to pay interim disability benefits to veterans who file claims for more than one disability at the same time, as each claim is decided. Under current law, VA has the authority to make such partial payments for multiple claims rather than waiting until the VA has made a decision with respect to all medical claims filed. However, the VA continues to use this authority sparsely. VA benefits are paid retroactively from the date of the initial application, meaning veterans usually receive an initial lump-sum payment that covers the months since their application was submitted. The bill would have the effect of shifting some payments to an earlier fiscal year by paying benefits earlier; however, those early payments would be fully offset by savings in the following year.

**Extension of Temporary Expansion of CAVC**—the bill would extend, through January 1, 2020, the authority for the Court of Appeals for Veterans Claims (CAVC) to appoint a new judge to the court should a position become vacant. The bill also allows retired judges who are eligible to be recalled to serve for more than the 90 days currently authorized. The bill also authorizes certain CAVC judges to purchase additional service credit for retirement purposes and sets the salary of CAVC judges at the same rate as that of federal appellate judges.

**VA Training Programs**—the bill requires the VA to establish a training program for at least two years for newly hired claims processors and to identify successful claims processors to assist in the training. According to VA, it has already begun the process of establishing new training programs for claims processors. According to the Congressional Budget Office (CBO), the language contained within the bill would align with the VA's new training program.<sup>3</sup>

**Clarifies Eligibility for Payment of Deceased Veteran's Accrued Benefits**—the bill requires the VA to pay accrued benefits for certain deceased veterans to the veteran's estate.

**Moment of Silence on Veterans Day**—The bill directs the President to issue a proclamation calling on the people of the United States to observe two minutes of silence on Veterans Day, during a specified time, to honor the service and sacrifice of veterans throughout the history of the Nation.

## BACKGROUND

Veteran disability compensation programs provide relief from the impaired earning capacity of veterans disabled as the result of their military service. CBO estimates that about 290,000 veterans will apply for disability benefits for the first time in 2016, of which 50 percent or greater will probably apply to be compensated for more than one disability.<sup>4</sup>

The amount of compensation payable varies according to the degree of disability. This amount in turn is required by law to represent, to the extent practicable, the average impairment in earning capacity in civilian occupations resulting from such disability or combination of disabilities. To be eligible to receive disability compensation, a veteran must have a disability incurred or aggravated during military service, which is not the result of willful misconduct, and cannot have been dishonorably discharged.<sup>5</sup>

Surviving spouses and dependent children of veterans who died of disabilities determined by VA to be service-connected (including veterans who died while on active duty) or who had a service-

---

<sup>3</sup> <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/costestimate/hr675.pdf>

<sup>4</sup> Id.

<sup>5</sup> Id.

connected disability rated at 100 percent for certain periods of time prior to death are entitled to receive monthly tax-free cash Dependency Indemnity Compensation (DIC) payments. DIC has been paid in some form (monthly cash payments or insurance benefits) to survivors since the Revolutionary War. There were modifications after each war until the 1950s, when the federal government mandated a more streamlined process that created the system used currently for survivors of veterans and military service men and women.<sup>6</sup>

When determining benefits available to veterans, local VA offices make an initial determination on the application for benefits. Any veteran who is not satisfied with the local VA's determination is permitted to appeal the decision. After an appeal is filed, a local VA office will again review the claim. If the local VA office still denies the claim, the local VA office will prepare the claim file for the appeal to the Board of Veterans' Appeals (BVA). Claimants must follow specific procedures to request the appeal and must meet certain deadlines for submitting the proper information.<sup>7</sup>

If a claimant is not satisfied with the decision from the BVA, the claimant has the option of appealing to the Court of Appeals for Veterans Claims (CAVC). The CAVC is an Article I court, established by Congress, which has exclusive jurisdiction over appeals from the BVA. Currently, up to nine judges may sit on the CAVC and review appeals from the BVA. The CAVC is a separate entity from the VA, but reviews BVA decisions. In FY2012 the CAVC received 3,649 appeals.<sup>8</sup> Chief Judge Kasold has noted that the CAVC "has become one of the busiest federal appellate courts based on the numbers of appeals filed and decided per judge."<sup>9</sup>

## **COST**

The Congressional Budget Office (CBO) [estimates](#) that enacting H.R. 675, including the COLA round down, would decrease direct spending by \$16 million in the first year, by \$30 million over five years, and by \$4 million over ten years. CBO also estimates that enacting H.R. 675 would increase spending subject to appropriations (discretionary spending) by \$5 million over five years. However, given the \$30 million decrease in direct spending over five years, the increase in discretionary spending is fully offset.

## **STAFF CONTACT**

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

---

<sup>6</sup> See CRS Report, "[Veterans' Benefits: Dependency and Indemnity Compensation \(DIC\) for Survivors](#)," February 13, 2015.

<sup>7</sup> See CRS Report, "[Overview of the Appeal Process for Veterans' Claims](#)," May 20, 2014.

<sup>8</sup> Id.

<sup>9</sup> <http://veterans.house.gov/witness-testimony/the-honorable-bruce-e-kasold>