

Dated: May 16, 2001.

**Anthony J. Principi,**  
Secretary of Veterans Affairs.

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**DEPARTMENT OF VETERANS AFFAIRS**

**Adjustments for Service-Connected Benefits**

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Notice.

**SUMMARY:** As required by the Veterans' Compensation Cost-of-Living Adjustment Act of 2000, Public Law 106-413, the Department of Veterans Affairs (VA) is hereby giving notice of adjustments in certain benefit rates. These adjustments affect the compensation and dependency and indemnity compensation (DIC) programs.

**DATES:** These adjustments are effective December 1, 2000, the date provided by Public Law 106-413.

**FOR FURTHER INFORMATION CONTACT:** Paul Trowbridge, Consultant, Compensation and Pension Service (212A), Veterans Benefit Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-7218.

**SUPPLEMENTARY INFORMATION:** Section 2 of Public Law 106-413 provides for an increase in each of the rates in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code. VA is required to increase these benefit rates by the same percentage as increases in the benefit amounts payable under title II of the Social Security Act. In computing increased rates in the cited title 38 sections, fractions of a dollar are rounded down to the nearest dollar. The increased rates are required to be published in the **Federal Register**.

The Social Security Administration has announced that there will be a 3.5 percent cost-of-living increase in Social Security benefits. Therefore, applying the same percentage, the following rates for VA compensation and DIC programs will be effective December 1, 2000:

**DISABILITY COMPENSATION (38 U.S.C. 1114)**

Disability Evaluation (percent)	Monthly rate
10 .....	\$101
20 .....	194
30 .....	298
40 .....	427
50 .....	609

**DISABILITY COMPENSATION (38 U.S.C. 1114)—Continued**

Disability Evaluation (percent)	Monthly rate
60 .....	769
70 .....	969
80 .....	1,125
90 .....	1,266
100 .....	2,107

38 U.S.C. 1114(k) through (s)	Monthly rate
38 U.S.C. 1114(k) .....	\$78; \$2,621; \$78; \$3,677
38 U.S.C. 1114(l) .....	\$2,621
38 U.S.C. 1114(m) .....	\$2,891
38 U.S.C. 1114(n) .....	\$3,290
38 U.S.C. 1114(o) .....	\$3,677
38 U.S.C. 1114(p) .....	\$3,677
38 U.S.C. 1114(r) .....	\$1,578; \$2,350
38 U.S.C. 1114(s) .....	\$2,359

**Additional Compensation for Dependents (38 U.S.C. 1115(1))**

38 U.S.C. 1115 (1)	Monthly Rate
38 U.S.C. 1115(1)(A) .....	\$121
38 U.S.C. 1115(1)(B) .....	\$208; \$63
38 U.S.C. 1115(1)(C) .....	\$82; \$63
38 U.S.C. 1115(1)(D) .....	\$98
38 U.S.C. 1115(1)(E) .....	\$229
38 U.S.C. 1115(1)(F) .....	\$192

Clothing Allowance (38 U.S.C. 1162)—\$565 per year.

**DIC TO A SURVIVING SPOUSE (38 U.S.C. 1311)**

Pay grade	Monthly rate
E-1 .....	\$911
E-2 .....	911
E-3 .....	911
E-4 .....	911
E-5 .....	911
E-6 .....	911
E-7 .....	942
E-8 .....	995
E-9(1) .....	1,038
W-1 .....	962
W-2 .....	1,001
W-3 .....	1,031
W-4 .....	1,090
O-1 .....	962
O-2 .....	995
O-3 .....	1,063
O-4 .....	1,125
O-5 .....	1,239
O-6 .....	1,396
O-7 .....	1,509
O-8 .....	1,653
O-9 .....	1,771
O-10(2) .....	1,943

(1) If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master

sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, the surviving spouse's monthly rate is \$1,119.

(2) If the veteran served as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the surviving spouse's monthly rate is \$2,083.

**DIC TO A SURVIVING SPOUSE (38 U.S.C. 1311(A) THROUGH (D))**

38 U.S.C. 1311(a) through (d)	Monthly rate
38 U.S.C. 1311(a)(1) .....	\$911
38 U.S.C. 1311(a)(2) .....	197
38 U.S.C. 1311(b) .....	229
38 U.S.C. 1311(c) .....	229
38 U.S.C. 1311(d) .....	110

**DIC TO CHILDREN (38 U.S.C. 1313)**

38 U.S.C. 1313	Monthly rate
38 U.S.C. 1313(a)(1) .....	\$386
38 U.S.C. 1313(a)(2) .....	\$556
38 U.S.C. 1313(a)(3) .....	\$723
38 U.S.C. 1313(a)(4) .....	\$723; \$140

**SUPPLEMENTAL DIC TO CHILDREN (38 U.S.C. 1314)**

38 U.S.C. 1314	Monthly rate
38 U.S.C. 1314(a) .....	\$229
38 U.S.C. 1314(b) .....	\$386
38 U.S.C. 1314(c) .....	\$194

Section 304 of Public Law 106-419 replaces the previous 38 U.S.C. 5503(b)(1)(A) estate limitation threshold of \$1,500 for withholding of benefits, and \$500 for resumption of benefits.

The provision affects certain incompetent, hospitalized or institutionalized veterans who do not have a dependent spouse or child.

The new estate value limit for withholding of benefits is increased to five times the 100 percent service-connected disability rate for a veteran who does not have dependents. The estate value amount at which benefits may be resumed is now one half of that rate. This new formula will cause the estate limitation threshold to change with each change to basic compensation rates.

As a result, and effective November 1, 2000, the estate limitation threshold is increased to \$10,180 for withholding of benefits, and \$5,090 for resumption of benefits. This is based on compensation

rates in effect at the time of passage of Public Law 106-419.

Also, effective December 1, 2000, the estate limitation threshold is increased to \$10,535 for withholding of benefits, and \$5,267.50 for resumption of benefits. This is based on the legislative

increase to basic compensation rates effective December 1, 2000.

VA will publish the current dollar amounts for withholding and resumption of benefits under 38 U.S.C. 5503(b)(1)(A) with the **Federal Register**

notices for future legislative adjustments.

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**Anthony J. Principi,**

*Secretary of Veterans Affairs.*

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