

RECOMMENDATION NO. 3

The Commission endorses the principle of equalization of compensation payable for disabilities rated less than 100 percent and recommends that this principle be given serious consideration in the current economic validation study of the rating schedule.

Background to Recommendation:

Disability compensation rates, from their inception in 1933 until June 30, 1952, were related to the stated degree of disablement in a manner which provided equal intervals between assigned evaluations. A disability rated 10 percent, for example, was paid ten percent of the amount payable for the 100 percent disability. Other percentage ratings bore a similar fixed ratio to the 100 percent disability rating. Public Law 356, 82d Congress, effective July 1, 1952, provided proportionately greater compensation for the more seriously disabled based on the belief that economic impairment at that level and above was disproportionately greater than for lesser evaluations. This has been extended since that time. At present a veteran 10 percent disabled receives \$21 per month; 30 percent disabled, \$60 per month; 50 percent disabled, \$113 per month; and 100 percent disabled, \$300 per month in base compensation.

This subject has probably occasioned more controversy than any other item in the veterans' program. Each regional hearing and each veterans organization has produced resolutions and recommendations endorsing the principle of payment of disability compensation in accordance with the proportion that the rated degree of disability bears to the amount that the 100 percent rating receives.

The ratings assessed, by law, are based as far as practicable upon the average impairment of earning capacity in civil occupations. These averages have never been statistically determined. There are many disabilities which by their overwhelming nature, are obviously totally disabling. Assignment of lesser degrees of disability has been a very thoughtful process based on the best medical, legal and occupational opinion, but has not been validated in any meaningful manner.

The Veterans Administration, in cooperation with the Bureau of the Census, has recently undertaken a study in depth of the relationship of rated degrees of disability to the average amount of economic handicap borne by the