

children. Thus, a widow with seven children could receive the same combined total of DIC and Social Security as she would receive if she had only two children.

To alleviate this hardship imposed by present law on widows with several children, the Commission recommends that DIC payments to widows with children under age 18 be completely dissociated from Social Security benefits. Further, the Commission proposes to pay an additional monthly amount of \$20 for each child to widows receiving DIC. Additional payments of \$20 for each child offer the most equitable substitute for the present law, and would prevent any reduction in the combined DIC and Social Security benefits a widow may receive.

RECOMMENDATION NO. 5

The Commission recommends that the basic rate for DIC be increased from \$120 to \$130 per month and that the 12 percent of base pay provision be retained. In the future, the basic allowance should be adjusted in accordance with any increase in the appropriate service rank pay.

Background to Recommendation:

The Dependency and Indemnity Compensation program was created to offset deficiencies in the prior death compensation and Servicemen's Indemnity programs. Under DIC, a widow whose husband died from service-connected causes receives \$112 a month plus 12 percent of the current basic pay of a serviceman with the same rank and service.

Since the January 1, 1957 effective date of the program, the basic rate has been adjudged inadequate. In 1963, the basic rate was increased to \$120 per month. No change in this basic rate has since been made, despite a substantial increase in the cost of living. The payments have been increased with each military pay increase, but the widows of servicemen who were in the lowest pay grades and had short periods of service have not benefited significantly.

The Commission believes these widows of men who gave their lives in service deserve compensation that is adequate in today's world. Therefore, we recommend that the basic rate for DIC be increased from \$120 to \$130 per month, that