

tected) pension program shall continue until the end of the sixth calendar month of VA maintenance. Thereafter, 50 percent of these amounts is withheld. The withheld amount is paid to the veteran in a lump sum upon termination of hospitalization.

38 USC 3203 (d) (current), which applies to pension under Public Law 86-211, provides that, in similar cases, pension shall continue until the end of the second calendar month following the month of admission to the hospital. Thereafter, the award is reduced to \$30 per month and the difference is not paid to the veteran upon termination of hospitalization.

The only material difference in these two groups of veterans is that one applied for and received pension prior to July 1, 1960, while the second applied for and received pension after that date, or elected to receive pension under Public Law 86-211. Legislative committees have made many studies of this subject during the past several years. The Commission believes that the amounts and length of reduction should be the same in both instances and therefore recommends that hospital reduction provisions of both laws be amended so that awards will be reduced to 50 percent of entitlement or \$30 a month, whichever is greater, the first day of the third calendar month after date of admission to VA hospitalization. Further, that the amount withheld, not to exceed \$500, will be paid in a lump sum to the veteran upon his approved discharge.

RECOMMENDATION NO. 21

The Commission recommends that SGLI payments not be counted as income against the parents' pension.

Background to Recommendation:

Pension is payable to disabled veterans with qualifying service and to their surviving dependents, based on need which is determined largely by income. Under the law, payments must be counted from all sources, with certain exceptions.

The current pension law specifically excludes payments under policies of United States Government Life Insurance or National Service Life Insurance, and payments of servicemen's indemnity. However, no mention is made of