

RECOMMENDATION NO. 23

The Commission recommends that joint bank accounts not be considered as income for purposes of computing entitlement to death and disability pension.

Background to Recommendation:

At present, the survivor inheriting a joint bank account must count one-half as income during the year the other person died for purposes of computing benefits. This serves to keep many off the benefit rolls during the first year after death of the veteran, who otherwise should be receiving benefits. The Commission therefore recommends that joint bank accounts not be considered as income for purposes of computing entitlement to death and disability pension. They would continue to be counted toward corpus of estate.

RECOMMENDATION NO. 24

The Commission recommends that the annual payment by management to a retired employee under a labor-management agreement to cover the costs of supplementary medical care under the Social Security Act be excluded in determining annual income.

Background to Recommendation:

Current law requires that where income is a factor in determining entitlement to gratuitous benefits, payments of all kinds and from all sources will be considered, except those specifically excluded by law. Contributions made by a public or private employer to a public or private health or hospitalization plan for an active or retired employee can be excluded from income. However, where such amount is paid directly to the employee who, in turn, pays for a health or hospitalization plan, this cannot be excluded from income in determining benefit entitlement, unless it represents reimbursement for employer's obligation.

Because of the obvious inequity in determining amount of income due solely to the method of payment, the Commission believes that the amount a retired pensioner receives from his former employer to cover the costs of supplemental medical care under the Social Security Act should be excluded in determining income.