

RECOMMENDATION NO. 25

The Commission recommends that Title 38 USC be amended to exclude from consideration as income that portion of a claimant's retirement which is based solely on the number of dependents.

Background to Recommendation:

Where income is a factor in determining entitlement to gratuitous benefits, the law provides that income of all kinds and from all sources will be included, with several specific exclusions.

Social Security benefits payable to a veteran or widow pensioner are included as income for all purposes, and Railroad Retirement benefits are included as income for all purposes except for prior law disability pensioners.

Since Social Security entitlement, based on a worker's earnings, is also provided by law for a worker's wife and children, such payments to them are not considered as his income for pension purposes. Also, where payments are made to a widow and children, only the widow's benefit is considered income in determining her eligibility for VA benefits. However, Railroad Retirement benefits, by law, are paid only to the retired worker. Even though an additional allowance is payable for dependents, they have no individual right to it, and thus, the entire payments must be considered as the retiree's income for pension purposes. Additional benefits solely because of the existence of dependents is common to other retirement systems, plans and programs, public and private.

The same criteria applicable to income computation affect dependent parents receiving DIC. The Commission feels that this is inadequate and recommends the exclusion from the income computation of that portion of a retirement benefit based on a dependent's existence.

RECOMMENDATION NO. 26

The Commission recommends several improvements in cemetery administration and burial allowance.

Background to Recommendation:

Four cemetery systems are managed by Federal agencies. The National Cemetery system operated by the