



## S. 2617 – VETERANS’ COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2008

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### FLOOR SITUATION

S. 2617 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Senator Daniel Akaka (D-HI) on February 8, 2008. The Senate passed the bill with an amendment by unanimous consent on July 30, 2008.

S. 2617 is expected to be considered on the floor of the House on September 9, 2008.

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### SUMMARY

S. 2617 directs the Secretary of Veterans Affairs to increase the amounts paid to veterans for disability compensation and to their survivors for dependency compensation, at the same cost-of-living (COLA) adjustment rate payable to recipients of Social Security. This increase would take effect on December 1, 2008.

*Note: The Congressional Budget Office (CBO) estimates that the COLA effective on December 1, 2008, will be 2.8 percent.*

The funds covered by this increase are the Wartime Disability Compensation, Additional Compensation for Dependents, Clothing Allowance, Dependency and Indemnity Compensation to Surviving Spouse, and Dependency and Indemnity Compensation to Children.

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### BACKGROUND

The Department of Veterans Affairs administers a service-connected disability program which provides monthly cash benefits to veterans with disabilities suffered during active duty in the Armed Forces. The amount of compensation is dependent on the severity of the disability and other factors. The Department estimates that it will provide disability compensation to over 3 million veterans in 2009.

Veterans with a disability rating of 30 percent or more may receive additional compensation on behalf of a spouse, children, or dependent parents. Such compensation is prorated based on the disability rating. Additionally, the Department of Veterans Affairs pays dependency and indemnity compensation to the survivors of service members and veterans who died on active duty on or after 1957. The VA estimates it will pay such benefits to approximately 343,000 survivors in 2009.

Cost-of-living allowances, or COLA, adjust benefits, entitlements, and salaries based on changes in a cost-of-living index accounting for inflation. Federal programs like Social Security, the Civil Service Retirement System, and the Federal Employees Retirement System utilize COLAs.

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### COST

The Congressional Budget Office (CBO) estimates that S. 2617 “would have no budgetary effect ...as it is assumed in CBO’s baseline, pursuant to section 257 of the Balanced Budget and Emergency Deficit Control Act, and savings from rounding it down were achieved by the Balanced Budget Act of 1997 (P.L. 105-33) and extended to 2013 by the Veterans Benefits Act of 2003.” [Full CBO Cost Estimate](#)

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### STAFF CONTACT

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