



Highlights of [GAO-10-62](#), a report to congressional committees

### Why GAO Did This Study

The Dependency and Indemnity Compensation (DIC) program provides monthly payments to the survivors of those who died as a result of a service-connected disability or while on active duty in the military. In fiscal year 2008, the Department of Veterans Affairs (VA) paid over \$4.7 billion to about 354,000 survivors, replacing a portion of income lost with the death of the veteran or servicemember.

The Veterans' Benefits Improvement Act of 2008 directed GAO to study the DIC program and the levels of payments it provides. This report addresses (1) the extent to which DIC replaces VA disability compensation or active duty military pay lost due to the death of a veteran or servicemember, and (2) how DIC benefits compare to benefits for survivors of civilian federal employees.

GAO obtained and analyzed data on DIC payments, VA disability compensation, and military pay rates. GAO also obtained information on survivor benefits under federal employee retirement and workers' compensation programs. GAO did not include in its analysis other sources of income survivors may receive, such as Social Security, private pensions, and life insurance. Lastly, GAO interviewed officials from VA and groups representing veterans, servicemembers, and their survivors.

GAO is not making any recommendations in this report.

View [GAO-10-62](#) or [key components](#). For more information, contact Daniel Bertoni at (202) 512-7215 or [bertonid@gao.gov](mailto:bertonid@gao.gov).

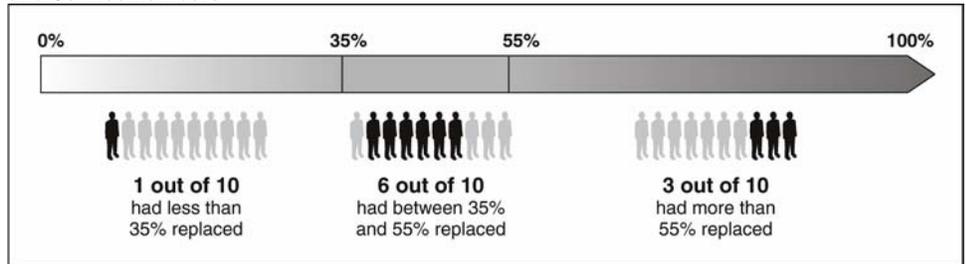
## MILITARY AND VETERANS' BENEFITS

### Analysis of VA Compensation Levels for Survivors of Veterans and Servicemembers

#### What GAO Found

For more than half of survivors who recently began collecting DIC, the benefit replaced between 35 and 55 percent of the VA disability compensation or estimated military pay lost due to the death of a veteran or servicemember. Because DIC provides generally flat payments, the rate at which it replaced lost income varied according to the amount of prior income, such as VA disability compensation. The most common survivor was an older female spouse of a totally disabled veteran who, in 2009, received \$1,154 per month—the base DIC payment—compared with \$2,823 per month paid in VA disability compensation to the disabled veteran prior to death. In these cases, DIC replaced 41 percent of prior compensation. There were, however, DIC recipients at the far ends of the scale. For example, for surviving spouses of mid-ranked officers who died on active duty, the flat rate DIC payment represented 19 percent of prior military pay; for survivors of partially disabled veterans who had received relatively low VA disability compensation, the flat rate DIC payment sometimes represented more than 100 percent of prior compensation.

**Percentage of VA Compensation or Military Pay Replaced by DIC for Survivors of Veterans and Servicemembers**



Source: GAO analysis.

Note: This graphic illustrates recipients who began collecting DIC benefits in fiscal years 2004-2008. GAO estimated military pay based on the rank of the servicemember.

When comparing survivor benefits for DIC with those for comparably paid civilian federal employees, DIC benefits are generally higher than survivor benefits paid by federal retirement programs, but lower than those paid by federal workers' compensation. The DIC program's flat payment structure differs from federal programs in which payment amounts are based on employee salaries and years of employment. We found that for most survivors, DIC provides higher benefits than the federal retirement programs because it gives more money to survivors of lower paid individuals, who comprise the majority of DIC recipients. In contrast, DIC payments are almost always less than workers' compensation payments for survivors of federal employees who die as a result of job-related injuries. For comparable employees, the salary levels of nearly all servicemembers in 2009 would result in higher survivor payments under workers' compensation than under the DIC program.