

UPDATE FOR SPOUSES AND SURVIVING SPOUSES

November/December 2019

We had a very successful year for military members and for spouses, surviving spouses, and families in 2019. The National Defense Authorization Act for 2020 (NDAA), a \$738 billion bill, passed both the House of Representatives first and then the Senate by sizeable margins in each house after much deliberation and compromise by the Conference Committee. Rep. Anthony Brown of Maryland District 4 was our sole Maryland member of the Conference Committee and we thank him for his diligence on our behalf--as well as the other members of our Maryland Delegation on Capitol Hill who actively supported what we were attempting to accomplish. The NDAA was sent to the President, and promptly was signed (as promised) by President Trump. There's a lot in the NDAA that has an impact on our military. I'll attempt to summarize some of the most significant accomplishments of direct concern to our members. There is a great deal about which we in MOAA at the State and Federal level as well as our colleagues in The Military Coalition (TMC), with much membership support, can take pride. Some of us "Stormed the Hill," many of us met with our Maryland Delegation at the Congressional Luncheon hosted by our MD Council of Chapters, and we wrote lots of letters, sent e-mails to our elected representatives, and supported MOAA HQ in a major effort in support of our legislative issues. I'd also like to express our thanks to WUSA (CBS Channel 9 in DC) for its continuing support and extensive coverage, especially on the Widows Tax and military housing, over the past 18 months.

1. Update on the SBP-DIC Offset (Widows Tax). The bipartisan 2020 NDAA, as approved, will phase out the so-called Widows Tax over a period of three years. The new law will have a positive effect on about 65,000 surviving spouses, ending an inequitable law that has been in existence for 40 years. For a full four decades, according to Lt Gen Dana Atkins, MOAA President and CEO, this has been a concern of Veterans organizations and surviving spouses. In three scheduled steps through January of 2023, surviving spouses will regain the up to \$12,000 per year that they have been forfeiting all these years! In essence, this is a three-year rollout with a delayed start. The first change will occur in January of 2021, when recipients of SBP (Survivor Benefit Plan) payments will commence receiving one-third of the total offset amount. In 2022 the amount will be raised to two-thirds. Finally, on January 1, 2023, survivors will start receiving their full SBP monthly payments in addition to Dependency and Indemnity Compensation (DIC).

a. Points Worthy of Note: Survivors who received a partial refund of their sponsor's premiums will not be required to return those dollars to DoD. Further, no benefits will be paid retroactively. Finally, no benefits have been or will be reduced to pay for this repeal of the SBP-DIC offset.

b. After January 1, 2023, there will no longer be an option for an eligible surviving military spouse to establish an annuity in the name of a dependent child instead of her/his own name. [Implementation: A spouse who has elected to transfer the annuity payment to a child/children will have that eligibility for the benefit restored on December 31, 2022. That will be the case "whether or not payment to such child subsequently was terminated due to loss of dependent status or death."] Explanation: Previously, survivors were advised to transfer their survivor benefits to their children in order to receive both SBP and DIC payments. Those benefits ended whenever the dependent reached the age of majority. However, a change in the tax bill in 2017 significantly increased the rate at which those benefit were taxed.

c. By repealing the child option, survivors both avoid what been termed the "kiddie tax," and receive the full benefits they deserve. If this applies to you and your family, kindly note that a "kiddie tax" solution is not part of the NDAA, but there is a provision in the funding deal of the government that will very likely eliminate this huge tax. Watch for a decision soon in Congress and a vote on this measure.

d. The final version of the NDAA turned out to be bipartisan. The agreement on the overall bill was reached with the Democrats dropping opposition to creating a Space Force as a sixth military branch in exchange for twelve weeks of parental leave for Federal workers.

2. Update on DoD Plan to Repurpose 18,000 Military Medical Positions. The NDAA requires that the Department of Defense study and evaluate the impact of cutting so many medical spaces (i.e., 20% of the force structure) before taking action on this. That is what the House proposed in Conference Committee, and the Senate concurred. Many of our MOAA members and friends assigned at Walter Reed NMMC have expressed their satisfaction on hearing this important news. We'll have to wait to see if DoD is able to justify (through its mandatory study) anything close to such a drastic cut in medical personnel. The NDAA has no direct impact on another earlier Administration proposal to cut 2,600 Commissioned Corps spaces in the U.S. Public Health Service (USPHS), approximately 1/3 of the Commissioned Corps. More details are in my September/October Update. It has Homeland Security implications that have not been fully addressed. The provisions of Section 719 of the NDAA specify the following (based on MOAA's recommendations for detailed analyses, metrics and mitigation plans):

- a. A review of medical manpower requirements of each military department under all national defense strategy scenarios.
- b. An analysis of affected billets together with mitigation plans to address potential gaps in health care services.
- c. Metrics to determine TRICARE network adequacy; and
- d. Outreach plans for affected beneficiaries, including transition plans for continuity of health care services.

Relevant Note: In her opening remarks [in a first Military Health System Reform Hearing], House Armed Services Committee (HASC) Personnel Subcommittee Chairwoman Cathy Speier summed up the surprise many advocates felt when they first heard about proposed medical billet reductions: "I was baffled as to why this request was submitted when the Services and the Joint Staff had not completed the analysis of the operational requirements for supporting combatant commanders...It appeared to me that this proposal prioritized cost cutting over operational needs and common sense."

3. The Military Pay Raise for CY 2020. There will be a 3.1% pay raise for currently-serving personnel. That was what the Administration had proposed, and the Congress now concurs. **This is the largest pay raise in 10 years!** (This is the equivalent of an annual raise of \$1,200 for an O-3 with 10 years of service.)

4. Recap on the 2020 Cost of Living Adjustment (COLA). You can expect an across the board increase in everything to which COLA applies-- in the amount of 1.6%, effective immediately. That includes Social Security deposits you receive monthly. Your payments for Social Security medical benefits (e.g., Parts A and B) will be rising, as explained in my September/October 2019 update. The typical increase is approximately \$8 per person per month, but there are exceptions for high-income personnel receiving age-related Social Security payments.

5. Use of the VA Benefits Eligibility Letter. As I write this section between Christmas and New Year's Day, there remains a great deal of confusion on how newly-authorized Veterans will get onto base to use their new commissary, exchange, and MWR benefits. Using the VA Benefits Eligibility Letter is a workaround that, according to [military.com](https://www.military.com), will "allow more new shoppers to access base commissaries and exchanges on Jan. 1, when eligibility categories expand." There are four new categories of personnel who will be able to shop in person in military commissaries, exchanges, and some Moral, Welfare and Recreation (MWR) sites. They are: (1) Purple Heart recipients; (2) Veterans with any service-connected disability; (3) former Prisoners of War; and (4) caregivers registered with the Department of Veterans Affairs' "Comprehensive Assistance for Family Caregivers Program." There are over 4 million persons in these categories! Nevertheless, it still is not clear how the commissary checkout system will be able to scan Eligibility Letters. Military.com also adds that those Veterans who are qualified to use the on-Base facilities but are not eligible for a Veterans Health Identification Card (VHIC) and those who had not registered for VA healthcare eventually "would be given access on an

undetermined date as part of 'phase two' [of this access program]." Watch for further developments and details over the coming few months.

6. The 2020 Legislative Session in Annapolis. Everyone on my e-mail list was sent the final 2020 Legislative Agenda of the Maryland Military Coalition (MMC). This document became official early this month at an MMC meeting in the Fort Meade area, and is being shared with members of our General Assembly. Another copy of this 10 December .pdf file is attached to this Update. I expect a great deal of action on several of the matters addressed, including another effort (for the 21st consecutive year) to get closer to the complete subtraction from income or total elimination of the Maryland Income Tax on Uniformed Services retired pay or Survivor Benefit Plan payments received. [Reminder: This matter is influenced for many retirees and surviving spouses by the ceiling imposed by the Maryland Pension Exclusion (which counts Social Security monthly payments received), and which rises only slightly each year based on cost of living adjustments.] Brian Smith, our incoming Legislative Chair for the Maryland Council of Chapters, will update all of us on the new Legislative Session (which begins the second week of January). Brian is a member of the Prince George's County Chapter of MOAA and is serving as the new Vice President of the Maryland Military Coalition (MMC), of which MOAA is one of 13 member organizations.

7. Special USPS Postage Stamp. A new United States Postal Service stamp was issued early in December to raise awareness of PTSD (Post-Traumatic Stress Disorder) as well as raise funds for research and education at the U.S. Department of Veterans Affairs. The PTSD Center is based in White River Junction, VT, at the local VA Medical Center; it includes seven locations around the country that have the goal of studying and treating PTSD--a mental health condition some people (including many military personnel) develop after a traumatic event. PTSD affects tens of millions of Americans, both military/Veterans and civilians. The new first class "semi-postal" stamp costs 65 cents (instead of 55 cents), with 10 cents going directly to research and education. It features a green plant sprouting from ground covered with fallen leaves. According to the U.S. Postal Service, "it is intended to symbolize the PTSD healing process." Stamps are available now at local Post Offices, and a Postal Service-approved image is attached for your information.

8. 12-Night Maryland Council-Sponsored Southern Caribbean Cruise from Baltimore Sails from the Port of Baltimore on 11 January 2020.

We will be sailing on the 11th of January for five ports-of-call, mostly in the Southern Caribbean, aboard the Grandeur of the Seas. It looks like we'll have 60 members in our travel group through MOAA Vacations. A lot of interesting and no-cost activities and parties are planned en route from Baltimore and on the return trip. If you are going with us, please note that my husband, Harvey, will be furnishing a final update e-mail to all those in the group sometime next week. We'll be returning to Baltimore on the 23rd of January. For everyone's information, MOAA Vacations has been doing a marvelous job of making available to our organization (plus family and friends) some truly excellent travel experiences--and our trip in January is the very first one sponsored by a State Council of MOAA. About half of the participants are from Maryland and the rest are from other states. My husband and I had a wonderful visit with MOAA Vacations to Normandy this past June on the first of two Uniworld tours from Paris down the Seine River to Normandy (and return). A total of about 240 MOAA travelers participated on the two sailings. I am taking the liberty of including as attachments just four photographs from that MOAA Vacations Tour. [Over the past few months Harvey already has presented his program, with PowerPoint, on **Normandy: 75 Years Later** -- to three separate largely-veterans groups, including our own Montgomery County MOAA Chapter. We may have an opportunity for him to present it again during the Baltimore cruise next month. Most of the members of our traveling group have not seen it yet.]

9. Final Reminder: The Federal REAL ID Act. REAL ID (frequently displayed in all capital letters) is a Federal security standard for ID's. Purpose of all this activity: "to create security standards for driver's licenses and identification cards for all states." You must go through an update process in order to fly on airplanes and enter Federal Government facilities with the use of your Maryland-issued driver's license or identification card. [Note: This is independent of the rules applicable to the use of U.S. Passports in travel.] Appropriate documents must be filed with the Maryland Motor Vehicle Administration (MVA), operated under the Maryland Department of Transportation (MDOT). To expedite the process,

MDOT has encouraged citizens to schedule appointments at local MVA offices to present the required REAL ID documents. It is now being recommended that you do this early in 2020 -- long before the **final Federal deadline of October 1, 2020**. That's when all Marylanders must have documents on file to be REAL ID compliant. Please note that some Maryland drivers with the REAL ID licenses (even with the star on the front next to your miniature photo) may still have to furnish the MVA with additional documentation. You cannot tell by merely looking at your Driver's License or Maryland Identification Card that it is REAL ID-compliant. If you have not gone through a recent update process, please take the time to verify that your document is compliant under the Federal REAL ID Act. [See my last Update from September/October 2019 to view the specific document options that will work to update your license or ID at your local MVA office.]

10. Back Issues of Updates. My thanks go to Jim Shiffrin, our Maryland Council of Chapters Webmaster, for faithfully posting the back issues of this Update every two months on our Council's website: mdmoaa.org. Please use one of the links on the home page of that website to access back issues covering my reports over more than one year of back issues.

11. Continuing to Fight for Other Federal Issues. The 2020 NDAA accomplishes quite a lot, but some important matters remain unresolved for future efforts. The NDAA addressed the Widows Tax, medical billets, standardizing active duty records and AD credits toward retirement for Guard and Reserve members, a National Guard suicide prevention pilot program, a "robust tenant bill of rights and responsibilities" (according to MOAA) to correct serious deficiencies in military housing (in particular, poorly maintained housing at or near military installations that is operated by contractors), an increase in reimbursement for licenses for military spouses (to \$1,000), a closer look at childcare centers on installations, and matters related for the redress of medical malpractice with the involvement of military judges. Here's a partial list of what we'll all need to work on (at the Federal level) in 2020:

a. Obtaining approval by Congress for the concurrent payment of retirement and disability benefits to medical retirees with less than 20 years of service. This has been a long-term priority of MOAA, and it sometimes is referred to as Concurrent Receipt for Chapter 61 Retirees. These Veterans have their retirement pay offset by the disability benefits that they receive through the U.S. Department of Veterans Affairs--and that represents a continuing injustice.

b. Holding the line on increases in the costs of medical benefits already earned through many years of Uniformed Service participation (either in the active forces or in the reserve components).

c. Monitoring the erosion of benefits for those who have served and for their family members and surviving spouses.

d. Maintaining comparability of Uniformed Service pay and benefits with those of the private sector, especially in today's all-volunteer force environment. [We must not allow the gap between the two to grow wider. The pool of eligible and available volunteers needs to be nurtured.]

e. Our efforts continue to move legislation forward in Annapolis on our Veterans issues, and to win the battles for several predominantly non-legislative matters at the State level (e.g., getting at least one more sorely-needed Veterans Home under construction in Maryland, encouraging our judiciary to adopt a more serious and effective approach to managing Veterans Treatment Courts in Maryland, obtaining an administrative solution to the tax write-off for the Veterans Trust Fund, the Veterans Service Animal Program, and the Recreational Licenses Donation Program--all established by the Maryland General Assembly, etc.). The **MOAA Board of Directors will deliberate and decide on approximately three high priority Federal issues** for the national organization during 2020. I expect that we will be "Storming the Hill" on those matters during the week of 23 March of 2020.

12. A Final Word or Two.

I hope you all had a joyous Christmas and a very Happy Chanukah. I wish everyone a safe, healthy, and fun New Year Holiday--followed by health, happiness, and continued successes in

2020! As you know, this is my final issue of this Update. I am completing 4 full years of writing this newsletter every two months – and I am looking forward to meeting with my replacement on the Maryland Council of Chapters. Please seriously consider volunteering for this Council President-appointed role, as we all know it serves a very useful function in keeping our members in the loop on a range of family-related matters! My husband and I both plan to remain involved in Council and Chapter programs and events, and Harvey will continue to serve as MOAA's Director on the Maryland Military Coalition for 2020. I look forward to seeing many of you at future activities--including cruises and other annual and special events. I wish you all the BEST!

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