

Public Law 95-397
95th Congress

An Act

To amend title 10, United States Code, to make certain changes in the Retired Serviceman's Family Protection Plan and the Survivor Benefit Plan as authorized by chapter 73 of that title, and for other purposes.

Sept. 30, 1978
[H.R. 3702]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniformed Services Survivors' Benefits Amendments of 1978".

Uniformed
Services
Survivors'
Benefits
Amendments of
1978.
10 USC 1431
note.

TITLE I—ANNUITIES UNDER RETIRED SERVICEMAN'S
FAMILY PROTECTION PLAN

SEC. 101. (a) Section 1434 of title 10, United States Code, is amended—

(1) by striking out "or remarries" in subsection (a) (1) and inserting in lieu thereof "or, if the spouse remarries before age 60, when the spouse remarries";

(2) by striking out "or remarriage of that spouse" in subsection (a) (3) and inserting in lieu thereof "of that spouse or the remarriage of that spouse before age 60"; and

(3) by adding at the end thereof the following new subsection:

"(e) Whenever there is an increase in retired and retainer pay under section 1401a of this title, each annuity that is payable under this subchapter on the day before the effective date of that increase to a spouse or child of a member who died on or before March 20, 1974, shall be increased by the same percentage as the percentage of that increase, effective on the effective date of that increase."

Retired and
retainer pay,
increase.
10 USC 1401a.

(b) No benefits shall accrue to any person by virtue of the amendments made by subsection (a) for any period prior to the first day of the first calendar month following the month in which this Act is enacted or October 1, 1978, whichever is later.

10 USC 1434
note.

SEC. 102. Each annuity that is payable under subchapter I of chapter 73 of title 10, United States Code, on the day before the date of the enactment of this Act to a spouse or child of a member of the uniformed services who died on or before March 20, 1974, shall be increased effective as of the first day of the first calendar month following the month in which this Act is enacted, or as of October 1, 1978, whichever is later, by the percentage increase in retired and retainer pay under section 1401a of that title since September 21, 1972.

10 USC 1434
note.
10 USC 1431 *et*
seq.

TITLE II—ANNUITIES UNDER SURVIVOR BENEFIT
PLAN

DEFINITION OF BASE AMOUNT

SEC. 201. Section 1447(2) of title 10, United States Code, is amended to read as follows:

"(2) 'Base amount' means—

"(A) in the case of a person who dies after becoming entitled to retired or retainer pay, the amount of monthly retired or retainer pay to which the person—

10 USC 1331 *et seq.*

Infra.

Infra.

Post, p. 847.

“(i) was entitled when he became eligible for that pay; or
“(ii) later became entitled by being advanced on the retired list, performing active duty, or being transferred from the temporary disability retired list to the permanent disability retired list;

“(B) in the case of a person who would have become eligible for retired pay under chapter 67 of this title but for the fact that he died before becoming 60 years of age, the amount of monthly retired pay for which the person would have been eligible—

“(i) if he had been 60 years of age on the date of his death, for purposes of an annuity to become effective on the day after his death in accordance with a designation made under section 1448(e) of this title; or

“(ii) upon becoming 60 years of age (if he had lived to that age), for purposes of an annuity to become effective on the 60th anniversary of his birth in accordance with a designation made under section 1448(e) of this title; or

“(C) any amount which is less than the amount otherwise applicable under clause (A) or (B) with respect to an annuity provided under the Plan and which is designated by the person providing the annuity on or before (i) the first day for which he becomes eligible for retired or retainer pay, in the case of a person providing an annuity by virtue of eligibility under section 1448(a)(1)(A) of this title, or (ii) the end of the 90-day period beginning on the date on which he receives the notification required by section 1331(d) of this title that he has completed the years of service required for eligibility for retired pay under chapter 67 of this title, in the case of a person providing an annuity by virtue of eligibility under section 1448(a)(1)(B) of this title, but not less than \$300;

as increased from time to time under section 1401a of this title.”.

APPLICATION OF SURVIVOR BENEFIT PLAN

SEC. 202. (a) Subsection (a) of section 1448 of title 10, United States Code, is amended to read as follows:

“(a) (1) The program established by this subchapter shall be known as the Survivor Benefit Plan. The following persons are eligible to participate in the Plan:

“(A) Persons entitled to retired or retainer pay.

“(B) Persons who would be eligible for retired pay under chapter 67 of this title but for the fact that they are under 60 years of age.

“(2) The Plan applies—

“(A) to a person who is eligible to participate in the Plan under paragraph (1)(A) and who is married or has a dependent child when he becomes entitled to retired or retainer pay, unless he elects not to participate in the Plan before the first day for which he is eligible for that pay; and

“(B) to a person who (i) is eligible to participate in the Plan under paragraph (1)(B), (ii) is married or has a dependent child when he is notified under section 1331(d) of this title that he has completed the years of service required for eligibility for retired pay under chapter 67 of this title, and (iii) elects to participate

10 USC 1331 *et seq.*

in the Plan (and makes a designation under subsection (e)) before the end of the 90-day period beginning on the date he receives such notification.

A person described in subclauses (i) and (ii) of clause (B) who does not elect to participate in the Plan before the end of the 90-day period referred to in such clause shall remain eligible, upon reaching 60 years of age and otherwise becoming entitled to retired pay, to participate in the Plan in accordance with eligibility under paragraph (1)(A).

“(3)(A) If a person who is eligible under paragraph (1)(A) to participate in the Plan and who is married elects not to participate in the Plan at the maximum level, or elects to provide an annuity for a dependent child but not for his spouse, that person’s spouse shall be notified of that election.

“(B) If a person who is eligible under paragraph (1)(B) to participate in the Plan and who is married does not elect to participate in the Plan at the maximum level, or elects to provide an annuity for a dependent child but not for his spouse, that person’s spouse shall be notified of that action.

“(4)(A) An election under paragraph (2)(A) not to participate in the Plan is irrevocable if not revoked before the date on which the person first becomes entitled to retired or retainer pay.

“(B) An election under paragraph (2)(B) to participate in the Plan is irrevocable if not revoked before the end of the 90-day period referred to in such paragraph.

“(5) A person who is not married when he becomes eligible to participate in the Plan but who later marries or acquires a dependent child may elect to participate in the Plan, but his election must be written, signed by him, and received by the Secretary concerned within one year after he marries or acquires that dependent child. Such an election may not be revoked. His election is effective as of the first day of the first calendar month following the month in which his election is received by the Secretary concerned. In the case of a person providing an annuity by virtue of eligibility under paragraph (1)(B), such an election shall include a designation under subsection (e).”

Infra.

(b) Subsection (b) of such section is amended—

(1) by striking out “entitled to retired or retainer pay” and inserting in lieu thereof “eligible to participate in the Plan”; and

(2) by adding at the end thereof the following new sentence: “In the case of a person providing an annuity under this subsection by virtue of eligibility under subsection (a)(1)(B), such an election shall include a designation under subsection (e).”

(c) Such section is further amended by adding at the end thereof the following new subsection:

“(e) In any case in which a person electing to participate in the Plan is required to make a designation under this subsection, the person making such election shall designate whether, in the event he dies before becoming 60 years of age, the annuity provided shall become effective on the day after the date of his death or on the 60th anniversary of his birth.”

PAYMENT OF ANNUITY

SEC. 203. Section 1450 of title 10, United States Code, is amended—

(1) by inserting “(or on such other day as he may provide under subsection (j))” in subsection (a) after “of this title applies” the first place it appears therein; and

(2) by adding at the end thereof the following new subsections:

Ante, p. 844. “(j) An annuity elected by any person providing an annuity by virtue of eligibility under section 1448(a)(1)(B) of this title shall be effective in accordance with the designation made by such person under section 1448(e) of this title.

Ante, p. 844. “(k) If a widow or widower whose annuity has been adjusted under subsection (c) subsequently loses entitlement to compensation under section 411(a) of title 38 because of the remarriage of such widow or widower, and if at the time of such remarriage such widow or widower is 60 years of age or more, the amount of the annuity of such widow or widower shall be readjusted, effective on the effective date of such loss of compensation, to the amount of the annuity which would be in effect with respect to such widow or widower if the adjustment under subsection (c) had never been made, but such readjustment may not be made until the widow or widower repays any amount refunded under subsection (e) by reason of the adjustment under subsection (c).”.

AMOUNT OF ANNUITY

Ante, p. 845. SEC. 204. (a) The first sentence of subsection (a) of section 1451 of title 10, United States Code, is amended to read as follows: “The monthly annuity payable to a widow, widower, or dependent child who is entitled under section 1450(a) of this title to an annuity shall be—

Ante, p. 844. “(1) 55 percent of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(A) of this title, or

“(2) a lesser percentage (determined by the Secretary of Defense in accordance with subsection (d)) of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(B) of this title.”.

42 USC 401. (b) The last sentence of subsection (a) of such section is amended to read as follows: “For the purpose of the preceding sentence, a widow or widower shall not be considered as entitled to a benefit under subchapter II of chapter 7 of title 42 to the extent that such benefit has been offset by deductions under section 403 of title 42 on account of work.”.

(c) Subsection (b) of such section is amended to read as follows:

“(b) The monthly annuity payable under section 1450(a)(4) of this title shall be—

Post, p. 847. “(1) 55 percent of the retired or retainer pay of the person who elected to provide that annuity after the reduction in such pay in accordance with section 1452(c) of this title, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(A) of this title; or

Ante, p. 844. “(2) a lesser percentage (determined by the Secretary of Defense in accordance with subsection (d)) of the retired pay of the person who elected to provide that annuity after the reduction in such pay in accordance with section 1452(c) of this title, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(B) of this title.

A person who provides an annuity which is determined in accordance with clause (2) and who dies before becoming 60 years of age and is otherwise entitled to retired pay shall be considered to have been entitled to retired pay, for the purpose of such clause, at the time of

his death, and the retired pay of such person for the purpose of such clause shall be computed on the basis of the rates of basic pay in effect on the date on which the annuity is to become effective in accordance with the designation of such person under section 1448(e) of this title.”.

Ante, p. 844.

(d) Such section is further amended by adding at the end thereof the following new subsection:

“(d) The percentage to be applied by the Secretary of Defense in determining the amount of an annuity under subsection (a) (2) or (b) (2) shall be 55 percent reduced by such amount as the Secretary shall by regulation prescribe, taking into consideration the age of the person electing to provide the annuity at the time of such election, the difference in age between such person and the beneficiary of the annuity, whether such person provided for the annuity to become effective (in the event he died before becoming 60 years of age) on the day after his death or on the 60th anniversary of his birth, appropriate group annuity tables, and such other factors as the Secretary considers relevant.”.

REDUCTION IN RETIRED PAY

SEC. 205. (a) The first sentence of subsection (a) of section 1452 of title 10, United States Code, is amended by striking out “shall be reduced each month” and all that follows in such sentence and inserting in lieu thereof “shall be reduced each month—

“(1) by an amount equal to $2\frac{1}{2}$ percent of the first \$300 of the base amount plus 10 percent of the remainder of the base amount, if the person is providing an annuity by virtue of eligibility under section 1448(a) (1) (A) of this title; or

Ante, p. 844.

“(2) by an amount prescribed under regulations of the Secretary of Defense, if the person is providing an annuity by virtue of eligibility under section 1448(a) (1) (B).”.

(b) Subsection (c) of such section is amended to read as follows:

“(c) The retired or retainer pay of a person who has elected to provide an annuity to a person designated by him under section 1450(a) (4) of this title shall be reduced—

“(1) in the case of a person providing the annuity by virtue of eligibility under section 1448(a) (1) (A) of this title, by 10 percent plus 5 percent for each full five years the individual designated is younger than that person; or

“(2) in the case of a person providing the annuity by virtue of eligibility under section 1448(a) (1) (B) of this title, by an amount prescribed under regulations of the Secretary of Defense.

However, the total reduction under clause (1) may not exceed 40 percent. The reduction in retired or retainer pay prescribed by this section shall continue during the lifetime of the person designated under section 1450(a) (4) of this title or until the person receiving retired or retainer pay changes his election under section 1450(f) of this title.”.

NOTIFICATION

SEC. 206. Section 1331(d) of title 10, United States Code, is amended by adding at the end thereof the following new sentence: “Such notice shall include notification of the elections available to such person under the Survivor Benefit Plan established under subchapter II of chapter 73 of this title and the effects of such elections.”.

10 USC 1447.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 207. (a) The first sentence of section 1449 of title 10, United States Code, is amended by striking out "the first sentence of subsection (a), or subsection (b)," and inserting in lieu thereof "subsection (a)(2) or (b)".

(b) Section 1450(d) of such title is amended by striking out "section 8339(i)" and inserting in lieu thereof "section 8339(j)".

(c) Section 1450(f) of such title is amended by striking out "the last three sentences of section 1448(a)" and inserting in lieu thereof "section 1448(a)(5)".

TRANSITION

10 USC 1447
note.

10 USC 1331 *et*
seq.

SEC. 208. With respect to any individual who—

(1) would be eligible for retired pay under chapter 67 of title 10, United States Code, on the effective date of this title but for the fact that such individual is under 60 years of age; or

(2) receives, before the end of the nine-month period beginning on the effective date of this title, a notification that such individual has completed the years of service required for eligibility for such retired pay;

Ante, p. 843.

Ante, p. 844.

the 90-day period referred to in section 1447(2)(C) of title 10, United States Code (as amended by section 201 of this Act), and in sections 1448(a)(2) and 1448(a)(4)(B) of title 10, United States Code (as amended by section 202(a) of this Act), shall be considered to end at the end of the one-year period beginning on the effective date of this title.

MINIMUM INCOME FOR CERTAIN SURVIVORS

10 USC 1431 *et*
seq.

SEC. 209. Section 4 of the Act entitled "An Act to amend chapter 73 of title 10, United States Code, to establish a Survivor Benefit Plan, and for other purposes", approved September 21, 1972 (10 U.S.C. 1448 note), is amended—

(1) by striking out "\$2,100" in subsections (a)(3) and (b) and inserting in lieu thereof "\$2,340"; and

(2) by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection (c):

"(c) The amounts specified in subsections (a)(3) and (b) shall be increased by the Secretary concerned whenever there is an increase in the limitation on annual income for purposes of eligibility for benefits under section 541(b) of title 38, United States Code. Any such increase under the preceding sentence shall be in the same amount, and shall have the same effective date, as such increase in limitation on annual income."

EFFECTIVE DATES

10 USC 1447
note.

SEC. 210. (a) Except as provided in subsection (b), the provisions of this title and the amendments made by this title shall take effect on October 1, 1978, or on the date of the enactment of this Act, whichever is later, and shall apply to annuities payable by virtue of such amendments for months beginning on or after such date.

Ante, p. 847.

(b) The amendment made by section 206 shall apply to notifications under section 1331(d) of title 10, United States Code, after the date of the enactment of this Act.

TITLE III—MEDICAL AND DENTAL CARE

SEC. 301. Subsection (b) of section 1076 of title 10, United States Code, is amended to read as follows:

“(b) Under regulations to be prescribed jointly by the Secretary of Defense and the Secretary of Health, Education, and Welfare, a dependent of a member or former member—

“(1) who is, or (if deceased) was at the time of his death, entitled to retired or retainer pay or equivalent pay; or

“(2) who died before attaining age 60 and at the time of his death (A) would have been eligible for retired pay under chapter 67 of this title but for the fact that he was under 60 years of age, and (B) had elected to participate in the Survivor Benefit Plan established under subchapter II of chapter 73 of this title;

may, upon request, be given the medical and dental care prescribed by section 1077 of this title in facilities of the uniformed services, subject to the availability of space and facilities and the capabilities of the medical and dental staff, except that a dependent of a member or former member described in clause (2) may not be given such medical or dental care until the date on which such member or former member would have attained age 60.”

SEC. 302. The amendment made by section 301 shall become effective on October 1, 1978, or on the date of the enactment of this Act, whichever is later.

Regulations.

10 USC 1447.

Effective date.
10 USC 1076
note.

Approved September 30, 1978.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 95-72 (Comm. on Armed Services).

SENATE REPORT No. 95-1138 (Comm. on Armed Services).

CONGRESSIONAL RECORD:

Vol. 123 (1977): Sept. 12, considered and passed House.

Vol. 124 (1978): Aug. 24, considered and passed Senate, amended.

Sept. 19, House concurred in Senate amendment with an amendment.

Sept. 22, Senate concurred in House amendment.