

AN ANALYSIS OF SPECIAL PENSION  
BENEFITS FOR THE VETERANS AND  
SURVIVORS OF WORLD WAR I

K.W. Shepherd  
Congressional Budget Office  
March 27, 1978

## SUMMARY

Increased pension benefits for World War I veterans have been proposed in several bills introduced in the Congress. Two very different approaches, however, are reflected in the various bills. One approach, typified by H.R. 55, is to grant all World War I veterans and their surviving spouses equal pensions, regardless of their incomes. Such a pension would only be available to World War I veterans and survivors. The other approach, typified by H.R. 10173, would reform the current veterans' pension program to provide benefits to veterans and survivors of all wars, but benefits that are more closely related to financial need.

The proponents of a special pension for all World War I veterans stress that the VA benefits available to World War I veterans over the years have not been as generous as those available to veterans of subsequent wars. World War I veterans were never eligible for either the G.I. Bill education program or the VA guaranteed home loan program. They are eligible, however, on the same basis as other veterans, for disability compensation, non-service-connected pensions, medical care in VA hospitals, and burial benefits.

Another argument for extending a pension to all World War I veterans without an income test is that they are likely to be a needy group. Available evidence, however, indicates that World War I veterans have higher incomes than nonveterans of the same age. During 1975, the average income of male World War I veterans aged 79 to 85 years was \$7,600 as compared with \$5,800 for male nonveterans of the same age.

The advocates of pension reform point out that, while very little of the cost of the special World War I pension proposals would go to individuals below the poverty level, the pension reform proposals would raise all needy World War I veterans, as well as needy veterans from other wars, above the poverty level. Although the initial costs of the reform bills are lower than those of the World War I pension bills, the reform costs would increase in the first five years, while the World War I pension costs would decline.

The four bills that are discussed in this paper are: H.R. 55, which would provide \$150 a month to each veteran and survivor of World War I regardless of other income at a fiscal year 1979 cost of \$3,458.0 million; H.R. 9000, which would provide \$150 a month to World War I veterans and survivors with outside incomes of \$15,000 or

less at a cost of \$2,049.4 million in fiscal year 1979; H.R. 10173, which would reform the current pension program for veterans and survivors of all wars at a fiscal year 1979 cost of \$959.5 million; and S. 2384, which would also reform the current pension program but with somewhat lower benefit rates and at a cost of \$564.9 million in fiscal year 1979.

## INTRODUCTION

In general terms, the rationale for veterans benefits is that they are needed to help those who served in wartime readjust to civilian life and to compensate them for the special risks they have taken and for the training and wages they may have lost as a result of the interruption in their school or work careers.

Over the last few years, support in the Congress has been increasing for legislation that would provide special pension benefits for the estimated 748,000 World War I veterans and the 1,330,000 survivors of World War I veterans. Some of the bills proposed would simply grant all World War I veterans and their survivors a special pension regardless of the level of their income. Other bills would grant a pension to those whose income is within a set limit, but the pension amount would be the same for all eligibles.

One argument put forth in favor of special pensions for World War I veterans stresses that the benefits provided for World War I service were not as generous as the benefits available to veterans of World War II and later war periods. Another argument is that, because of their older age, World War I veterans are a needy group.

This paper reviews available information relevant to an evaluation of proposed legislation. The first section discusses the various veteran's benefits that have been made available to World War I veterans. The second section analyzes the income status of World War I veterans and nonveterans and the private and public sources of income of World War I veterans. The last section describes several bills that have been introduced in the Congress to target special benefits to this population; it sets out the costs of these bills and discusses their advantages and disadvantages.

## FEDERAL BENEFITS AVAILABLE TO WORLD WAR I VETERANS

The federal benefits available to World War I veterans are of two general types: Veterans Administration (VA) benefits and other federal benefits.

## Veterans Administration Benefits

On October 6, 1917, in a set of amendments to the War Risk Insurance Act, a new system of veterans' benefits was established for the veterans of World War I. The new law provided five categories of benefits:

- o Support for dependents of military personnel during service;
- o Low-cost insurance for those servicemen who wanted it;
- o Compensation benefits for those who were disabled in service and for the dependents of those dying in service;
- o Vocational rehabilitation for the service-disabled;
- o Medical and hospital care.

The insurance, vocational rehabilitation, and medical programs had not been available to veterans of earlier wars and represented a substantial increase in the level of benefits provided to veterans by the federal government. In 1930, a pension program was established for those disabled veterans of World War I who could not prove that their disabilities were service-related.

Toward the end of World War II, benefits for veterans were again expanded. Although veterans of World War I and earlier wars shared in much of the program expansion, some of the new programs were not opened to them. In particular, World War I veterans never became eligible for either the G.I. Bill education program or the VA guaranteed home loan program. These program omissions, plus the fact that non-service-disabled World War I veterans had to wait until 1930 before becoming eligible for a pension, are often cited as reasons why a special World War I pension program is needed.

At present, VA programs provide considerable benefits to veterans of World War I and other wars. These are described briefly below.

Non-Service-Connected Pension. The VA program that affects the greatest number of World War I veterans is the non-service-connected pension program. The program provides an income supplement based on financial need for wartime veterans who are totally disabled from causes not related to their military service. Benefits are also paid to the dependents and survivors of such veterans.

The amount of the pension payment is determined by the amount of other income available to the beneficiary. To establish eligibility for pension, a veteran must have at least nine months of military service, part of which must have been during a period of war, and must be judged totally and permanently disabled. At age 65, however, a veteran is considered to be totally and permanently disabled for pension purposes, even in the absence of any other physical handicaps.

The current income limits of \$3,770 for a single veteran or widow <sup>1/</sup> and \$5,070 for a veteran or widow with dependents were established by Public Law 95-204, effective January 1, 1978. Certain categories of income are excluded from the income determination. All welfare payments -- including Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), and food stamps -- are excluded, along with 10 percent of social security and other public or private retirement benefits. The spouse of a veteran pensioner can exclude all of her earnings or \$1,200 of her total income, whichever is greater. Also excluded are certain one-time payments and reimbursements, such as proceeds from fire insurance. After these excludable amounts have been deducted from gross income, a formula rate structure is applied to compute the pension payment amount.

Payment levels are determined on the basis of four separate formulas, one each for veterans alone, veterans with dependents, widows alone, and widows with dependents. The formulas start with a base rate, which is the monthly rate paid to a beneficiary with no countable income at all. The monthly base rate is reduced by so many cents for every dollar of annual countable

---

<sup>1/</sup> For the sake of simplicity, the term "widow" will be used throughout instead of the more cumbersome "surviving spouse" or "widow/widower."

income; and the amount by which the base rate is reduced increases as the amount of countable income rises. Although income limits are the same for veterans and widows, the base rates are not, so that widows receive approximately two-thirds of the rate payable to veterans in like circumstances. Allowances are paid for additional dependents, for veterans and widows who are in need of constant aid and attendance, for surviving children with no mother present, and for other circumstances.

One special provision incorporated into the pension law for World War I veterans is that any veteran aged 78 or older has the amount of his pension payment automatically increased by 25 percent.

In fiscal year 1977, the average annual VA pension benefit paid to a veteran pensioner of World War I was \$1,750, and the average pension to a World War I survivor was \$847. The comparable figures for pension veterans and survivors of all wars were \$1,807 and \$1,014, respectively. The lower pensions received by World War I pensioners, despite their eligibility for the bonus for those aged 78 and older, is related to their higher income status, as will be explained below.

Compensation Benefits. World War I and subsequent veterans are eligible for compensation benefits for disabilities incurred in military service. These benefits range from \$41 a month for a 10 percent disability to a maximum of \$1,312 a month for the most severe disabilities. Additional allowances are provided for those veterans who, as a result of their disabilities, are housebound or require constant aid and attendance. The average annual compensation benefit paid to disabled veterans of World War I in fiscal year 1977 was \$2,690 compared with an average for all veterans of \$2,097. World War I veterans have a higher compensation benefit level than younger veterans because their disabilities have, in many cases, worsened as they have aged, resulting in a higher degree of disability. World War I veterans are also more likely to be receiving aid and attendance or housebound allowances.

Disability and Indemnity Compensation. Disability and indemnity compensation (DIC) provides monetary benefits to the survivors of veterans dying either in service or as a result of a service-related disability, based on the service rank of the veteran at the time of his death or discharge. DIC rates range from \$277 a month for the surviving spouse of a veteran with a

rank of E-1 to \$708 a month for the spouse of an officer grade 10. The average DIC benefit paid to World War I survivors in fiscal year 1977 was \$3,333 compared with an average DIC benefit of \$2,858 for all survivors.

Burial and Medical Care Benefits. Burial and medical care benefits are available to veterans who came through the war without disabilities as well as to those with disabilities. All veterans who served during a period of war are eligible for burial benefits of up to \$400. All veterans in receipt of veterans' pension or who are over the age of 65 are eligible for full in- and out-patient medical care in VA hospitals without charge.

#### Other Federal Benefits

In addition to the benefits provided through the Veterans Administration, World War I veterans may be eligible for a large number of other federal income support programs.

Social Security. The federal program with the greatest impact on any category of elderly people is the social security retirement program (OASI). Eligibility and payment amounts for social security are determined by the work history of the beneficiary, or of the beneficiary's spouse in the case of most widows. Benefit levels are not reduced because of the receipt of unearned income such as veteran's benefits, nor because of earned income if the recipient is over age 72. Close to 90 percent of World War II veterans receive social security benefits.

Supplemental Security Income. The Supplemental Security Income program (SSI) also provides monetary assistance for needy individuals over age 65. Even though the income limits (\$2,134 for single beneficiaries and \$3,200 for couples) and the income exclusions are more restrictive for SSI than for VA pension benefits, some VA pensioners are eligible for both. According to CBO estimates, 2.6 percent of the individuals receiving VA pension are also receiving federal SSI benefits.

Food Stamps. The food stamp program is an additional income source for World War I veterans and survivors. The maximum net monthly income allowed is currently \$262 for a household of one and \$344 for a household of two. A 1975 VA

study of pensioners aged 72 and older 2/ shows that 1.3 percent of the veteran respondents received food stamps with a median annual value of \$408. Of the widows in the study, 4.8 percent received food stamps at a median annual value of \$156.

Medical Care Benefits. With respect to medical care, always a special consideration for the elderly, all World War I veterans are eligible for free medical care in VA hospitals under section 610 of title 38 of the U.S. Code, which extends medical services to all veterans over age 65. In addition to VA health benefits, all social security recipients are covered by medicare. Since most World War I veterans and widows are eligible for social security, medical expenses should be covered by medicare or VA for all but a small percentage of widows. The 1975 VA study of older pensioners 3/ shows that, in addition to these two programs, 10.6 percent of the pensioners over age 72 had medicaid coverage and 35.6 percent had coverage under private health insurance plans.

#### CURRENT ECONOMIC STATUS OF WORLD WAR I VETERANS

Data show that veterans of all service periods tend to have higher incomes than the corresponding age/sex group of non-veterans. Although the schooling and the labor market experience lost while serving in the armed services would be expected to have negative effects on future earnings, these effects have evidently been offset by other factors.

Perhaps the primary reason for the higher income of veterans is that the initial recruiting process weeds out the physically and mentally handicapped and persons with criminal records, and selects those with higher educational attainment and higher scores on the armed forces qualifying examinations. In addition, education benefits under the G.I. Bill enabled many veterans of World War II and later wars to continue their schooling and compensate for schooling lost while in the armed forces. Other programs also may help to compensate veterans for disadvantages they may have in the labor market as a result of their time away in the armed forces. For example, veterans are given special preference in applying for federal civil service employment.

---

2/ U.S. Veterans Administration, Needs of Veterans and Widows 72 Years of Age or Older (July 1975), p. 102.

3/ Ibid.

Those veterans who become disabled as a result of military service are directly compensated by the VA for their lost earning power. Disabled nonveterans generally do not have access to nearly as generous disability or workmen's compensation benefits.

With the exception of G.I. Bill education benefits, all these factors have combined to increase the income of World War I veterans over that of nonveterans of the same age. As shown in Table I, the average annual individual income for World War I veterans in 1975 was 31 percent higher than the comparable figure for similarly aged nonveterans. 4/ Although the data in Table I apply only to World War I veterans aged 79 to 85, this covers the large majority of such veterans. There is no reason to expect that the youngest or oldest of World War I veterans would have income characteristics that are significantly different from those of the majority.

The percentage of World War I veterans receiving social security payments (89.9 percent) is slightly lower than the percentage of nonveterans (92.1 percent). 5/ The veterans, however, have slightly higher benefits, which is consistent with their higher education profile.

---

4/ The Survey of Income and Education was mandated by the Congress and conducted by the Census Bureau. The survey presented the opportunity to collect detailed income, demographic, and program information from a relatively large number of sample households. A total of 151,770 households were interviewed during the period April through June, 1976. Interviews were conducted in each state and the District of Columbia. The information collected on income and demographic characteristics was carefully edited by the Census Bureau using techniques that have been developed over the years in connection with the Current Population Surveys. Finally, each observation was weighted to permit the development of national and some state estimates of families and individuals by a wide range of income and demographic characteristics.

5/ This small differential in social security participation could be because of a greater percentage of self-employed professionals and federal workers among the veterans. Professional self-employed workers were not covered by OASI until 1954 (or 1956, if they were doctors or lawyers), and federal workers are still not covered. A disproportionately large number of individuals in these occupations would result in a smaller proportion with social security income.

TABLE I. INCOME IN 1975 OF U.S. MALES AGED 79 TO 85 YEARS, BY VETERAN STATUS

	World War I Veterans	Nonveterans
Number in Population	487,000	729,000
Mean Annual Individual Income	\$7,600	\$5,800
Median Annual Individual Income	\$5,100	\$3,900
Mean Annual Household Income	\$10,500	\$9,000
Median Annual Household Income	\$6,800	\$6,000
Percent Receiving OASI	89.9%	92.1%
Mean Annual OASI Payment	\$2,900	\$2,800
Percent Receiving SSI	1.9%	10.1%
Mean Annual SSI Payment	\$925	\$1,000

SOURCE: Bureau of the Census, Survey of Income and Education, (June 1976).

A sharp difference is seen in the receipt of SSI benefits by World War I veterans and nonveterans. Slightly less than 2 percent of the veterans in this age group received SSI payments, as opposed to 10.1 percent of the nonveterans. The reason for this difference is partly that the veterans have a generally higher economic status and partly that those veterans who do have low incomes have access to the more generous non-service-connected pension program, whereas the nonveterans do not.

Unfortunately, little additional information is available on the financial circumstances of the World War I veteran population as a whole. Some information on the low-income veteran population can, however, be obtained from an examination of the income of World War I veterans and survivors on the VA pension rolls. This group should represent the poorest segment of the World War I population, if it is assumed that all veterans and survivors with incomes sufficiently low to be eligible for pension are receiving the benefit.

Tables II and III give a detailed breakdown of the sources and average amounts of income (other than VA pension) available to World War I pensioners as of March 1977. Unfortunately, such data are not readily available for nonveterans of similar age and income. To provide some basis for comparison, however, the tables include the same data for the total pension caseload from all war periods. The data are based on a 1 percent sample of the pension caseload.

The type of income received by the most pensioners is social security. Of World War I pensioners, 86.6 percent receive OASI benefits. (Only 75.4 percent of all pension recipients report OASI income, but this group includes a fair number of young disabled veterans and young widows.) Social security also supplies a much greater amount of income than any other source -- 85.6 percent of the total non-VA income received by all pensioners. The second most frequently reported type of income is the "other income" category. This represents income from property, savings accounts, stocks, and the like. Although 26.9 percent of World War I pensioners and 20.1 percent of all VA pensioners receive this type of income, its contribution to total income is small, only 3.4 percent of total income. On the other hand, while fewer pensioners receive annuity and retirement income (12.0 percent of World War I pensioners and 10.3 percent of all pensioners), this source provides a much larger portion of the total income of the recipients (7.8 percent). Wages are an

TABLE II. PERCENT OF WORLD WAR I AND OF ALL CURRENT LAW VA PENSIONERS RECEIVING INCOME FROM PARTICULAR SOURCES IN 1977

	Income Sources Other than VA Pension				No Income Other Than VA Pension
	Wages	Social Security	Other Annuities or Retirement	All Other Nonpension Income	
<b>Veterans Alone</b>					
WVI Pensioners	1.3	84.8	9.2	19.5	10.4
All Pensioners	3.1	69.2	5.0	13.5	24.7
<b>Veterans with Dependents</b>					
WVI Pensioners	2.5	90.2	20.2	30.4	3.5
All Pensioners	3.5	80.6	14.2	18.1	12.3
<b>Widows Alone</b>					
WVI Pensioners	1.7	85.9	9.8	27.2	7.8
All Pensioners	5.5	73.3	9.8	24.6	14.5
<b>Widows with Dependents</b>					
WVI Pensioners	2.1	81.4	15.5	23.7	14.4
All Pensioners	15.5	80.3	10.4	20.7	8.5
<b>Total</b>					
WVI Pensioners	1.8	86.6	12.0	26.9	7.3
All Pensioners	5.1	75.4	10.3	20.1	15.3

SOURCE: Based on a 1 percent sample of VA pensioners on the rolls as of March 1977.

NOTE: Number of World War I pensioners in 1977 - 894,600; number of pensioners from all wars - 2,287,100.

TABLE III. AVERAGE 1977 INCOME FROM SOURCES OTHER THAN VA PENSIONS, FOR WORLD WAR I AND ALL CURRENT LAW PENSIONERS a/

	Wages	Social Security	Other Annuities or Retirement Pension	All Other Nonpension Income	Average Total Income (excluding VA pension)
<b>Veterans Alone</b>					
WVI Pensioners	\$ 339	\$ 2,269	\$ 1,204	\$ 287	\$ 2,104
All Pensioners	868	2,278	1,394	368	1,721
<b>Veterans with Dependents</b>					
WVI Pensioners	4,362	3,848	1,745	449	4,069
All Pensioners	1,163	2,793	1,689	323	2,592
<b>Widows Alone</b>					
WVI Pensioners	813	2,239	1,477	265	2,155
All Pensioners	1,324	2,240	1,509	521	1,937
<b>Widows with Dependents</b>					
WVI Pensioners	468	2,066	1,362	216	1,954
All Pensioners	1,648	1,976	1,822	755	2,188

SOURCE: Based on a 1 percent sample of VA pensioners on the rolls as of March 1977.

a/ Average income from each source for those cases receiving income from that source.

insignificant source of income for most categories of pensioners. Only 1.8 percent of all World War I pensioners report wages, which is not unexpected since the average age of World War I veterans is 82.1 years.

The vast majority of World War I pensioners have more non-VA income than the total pension population. As shown in Table III, only one category of World War I pension recipients, widows with dependents, shows a lower average total nonpension income than is shown for all pensioners, and this group is too small to be relevant. Although veterans and widows without dependents have only about 3 percent more nonpension income than the same groups for all pensioners, veterans with dependents have 43 percent more outside income than their counterparts.

## LEGISLATIVE CHANGES UNDER CONSIDERATION

Several legislative proposals that would increase the financial security of World War I veterans and survivors are under consideration by the House and Senate Veterans Affairs Committees. Two such proposals, H.R. 55 and H.R. 9000, introduced by Congressman Glenn Anderson would establish unrestricted pensions for all World War I veterans and survivors without regard to income. Two other bills, H.R. 10173 and S. 2384, would completely restructure the pension program to provide benefits more closely tied to need for pensioners of all war periods. Table IV shows estimates of the incremental costs (over the costs projected for the current law) associated with H.R. 55, H.R. 9000, H.R. 10173, and S. 2384. For the two pension reform bills, which affect all pensioners, the cost associated with World War I pensioners is shown separately.

H.R. 55. Congressman Anderson introduced H.R. 55 on January 4, 1977. The bill would establish a separate unrestricted pension for World War I veterans and survivors. A single benefit level of \$150 a month would be paid to each World War I veteran and surviving spouse regardless of any other income that they might receive. This benefit could be received simultaneously with disability compensation benefits or Public Law 86-211 (current law) pension benefits.

Proponents of the legislation point out that this proposal has a precedent in the unrestricted pension paid for service in the Spanish-American War. Others point out that Spanish-American War veterans were not provided with insurance, hospitalization, or vocational rehabilitation benefits, as were veterans of World War I. As a practical matter, it has also been noted that there were far fewer participants in the war with Spain than there were in World War I.

Should H.R. 55 be enacted (assuming an effective date of October 1, 1978), it would provide pensions to an estimated 2,078,000 veterans, widows, and incompetent children 6/ of World War I at a

---

6/ Additional allowances are paid for dependent children under the age of 18, or 23 if the child is in school. Dependents' allowances are also paid for offspring of any age if they become incapable of self-support before the age of 18. Nearly all dependent "children" of World War I veterans fall into this latter category.

TABLE IV. COST ESTIMATES FOR THE LEGISLATIVE PROPOSALS: BY FISCAL YEARS, IN MILLIONS OF DOLLARS

	1979	1980	1981	1982	1983
H.R. 55	3,458.0	3,322.6	3,178.3	3,026.7	2,873.3
H.R. 9000	2,049.4	2,004.3	1,946.1	1,877.0	1,801.1
H.R. 10173 (as ordered reported)					
Cost of benefits to World War I pensioners	194.2	289.3	340.4	381.6	394.6
Total cost	959.5	1,642.8	2,084.6	2,608.7	3,182.5
S. 2384 (as introduced)					
Cost of benefits to World War I pensioners	256.9	303.2	347.7	388.7	418.0
Total cost	564.9	822.5	1,136.3	1,533.0	1,975.8

NOTE: These estimates do not assume any future cost-of-living increases in the current pension program.

total fiscal year 1978 cost to the federal government of approximately \$3.5 billion.

H.R. 9000. On September 8, 1977, Congressman Anderson introduced H.R. 9000, another World War I service pension proposal. This bill, however, limits payment of the \$150-a-month pension to those veterans and survivors with total incomes below \$15,000 a year and provides that the new pension cannot be received concurrently with compensation or Public Law 86-211 pension benefits. Although the income ceiling would eliminate the wealthiest beneficiaries, H.R. 9000 is still estimated to cost \$2.0 billion in fiscal year 1978.

Pension Reform. The pension reform bills, H.R. 10173 and S. 2384, would completely restructure the pension system to provide benefits to needy pensioners of all war periods, not just World War I veterans. Although there are many differences between the two bills, they are based on the same principles: fewer income exclusions and a single variable system of determining the payment amount. Under current law, as described above, a rather complicated formula is used to relate countable income to the benefit payment. Under the reform bills, however, the payment amount would be computed by merely deducting countable income from the maximum income limit. This is the method now used by SSI.

This method could be adapted in several ways to provide higher benefits for World War I pensioners. The income limits themselves could be increased by some percentage for World War I pensioners, or the payment amount, once computed, could be increased. Eligibility for the higher benefit could be directed specifically to World War I veterans and/or survivors, or the additional benefit could be made available to all pensioners over a certain age.

H.R. 10173 has already been amended to include a presumption of eligibility for housebound allowances for all veterans aged 80 years or older. 7/ Although S. 2384 has not at this writing been reported

---

7/ A veteran is eligible for an additional allowance of \$61 a month under current law if he has a single disability rated as permanent and total, has one or more additional disabilities with a combined rating of 60 percent or more, and is housebound as a result of his disabilities.

out of Committee, the Senate Veterans Affairs Committee is considering adding a provision to increase the income limits for World War I veterans by 25 percent. <sup>8/</sup> The additional cost of such provisions is considered less than the cost of either H.R. 55 or H.R. 9000. Table V, which was originally prepared for the Senate Veterans Affairs Committee, shows the added cost of amending S. 2384 (as introduced) with a variety of provisions to increase benefits for either elderly pensioners or those with World War I entitlement.

Arguments can be made in favor of, or against, the four bills discussed here. One major argument made by proponents of the Anderson bills is that World War I veterans did not have access to the same level of veterans' benefits as veterans of later wars (chiefly the G.I. Bill and guaranteed home loans). Another argument is that, because the World War I veterans are an aged group, they are a needy group. According to this point of view, benefits should thus be distributed equally to all veterans and survivors without a means test.

Those who oppose the establishment of an unrestricted pension for World War I veterans and support instead the pension reform proposals, do so on the grounds that limited federal resources are best directed to supplementing the incomes of those who are the most needy. They note that very little of the \$2.0 billion cost of H.R. 9000 would go to individuals with incomes below the poverty line, while the bulk of the cost of the reform bills would be spent on raising all pensioners above the poverty threshold. The research discussed in this paper has shown that, if need is defined in terms of income, World War I veterans have significantly higher incomes than their nonveteran counterparts.

The Anderson bills would, of course, increase benefits to many more World War I veterans and survivors. Nearly 1,600,000 World War I veterans and survivors would benefit from H.R. 9000 as compared with 350,000 under H.R. 10173.

Neither of the proposals for unrestricted pensions are indexed for inflation. Both of the reform bills, on the other hand, include cost-of-living escalator clauses. And, unlike the reform proposals,

---

<sup>8/</sup> S. 2384 was ordered reported on March 23, 1978, after this paper was written. An analysis of the amendments added at the bill markup is not available at this time.

TABLE V. VARIATIONS OF S. 2384 PROVIDING ADDITIONAL BENEFITS FOR WORLD WAR I PENSIONERS: BY FISCAL YEARS, IN MILLIONS OF DOLLARS

Additional Cost of Amending S. 2384 to provide:	1979	1980	1981	1982	1983
Additional Cost of Amending S. 2384 to provide:					
1. 25% Add-On to Payment Amount for Veterans Aged 78 and Older	30.8	37.0	43.4	45.0	50.6
2. 25% Add-On to Payment Amount for Widows Aged 78 and Older	91.4	102.3	112.4	122.7	134.8
3. 25% Add-On to Payment Amount for WWI Veterans	29.1	31.1	32.2	28.9	30.6
4. 25% Add-On to Payment Amount for WWI Widows	149.0	154.6	157.6	158.4	164.3
5. 25% Increase in Income Limit for Veterans Aged 78 and Older	72.0	88.1	97.6	102.0	114.0
6. 25% Increase in Income Limit for Widows Aged 78 and Older	234.7	268.7	298.9	329.6	361.0
7. 25% Increase in Income Limit for WWI Veterans	65.5	71.6	70.0	63.0	63.3
8. 25% Increase in Income Limit for WWI Widows	378.0	396.4	406.8	410.9	423.1