

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4087
OFFERED BY Mr. Miller

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fair Treatment for
3 Families of Veterans Act”.

4 **SEC. 2. EFFECTIVE DATE OF CERTAIN REDUCTIONS AND**
5 **DISCONTINUANCES OF COMPENSATION, DE-**
6 **PENDENCY AND INDEMNITY COMPENSATION,**
7 **AND PENSION UNDER LAWS ADMINISTERED**
8 **BY SECRETARY OF VETERANS AFFAIRS.**

9 (a) DETERMINATION OF EFFECTIVE DATE.—

10 (1) IN GENERAL.—Paragraph (1) of section
11 5112(b) of title 38, United States Code, is amended
12 by striking “last day of the month before” and in-
13 serting “last day of the month during which” as fol-
14 lows:

15 “(1)(A) by reason of marriage or remarriage
16 shall be the last day of the month before such mar-
17 riage or remarriage occurs; and

1 “(B) by reason of the death of a payee shall be
2 the last day of the month during which such death
3 occurs;”.

4 (2) APPLICATION.—The amendment made by
5 paragraph (1) shall apply with respect to a reduction
6 or discontinuance of compensation, dependency or
7 indemnity compensation, or pension by reason of a
8 death occurring on or after the date of the enact-
9 ment of this Act.

10 (b) PAYMENT OF BENEFITS FOR MONTH OF
11 DEATH.—

12 (1) IN GENERAL.—Section 5310(a)(2) of title
13 38, United States Code, is amended—

14 (A) by striking “The amount of the” and
15 inserting “(A) Except as provided by subpara-
16 graph (B), the amount of the”; and

17 (B) by adding at the end the following new
18 subparagraph:

19 “(B)(i) If the surviving spouse of a veteran re-
20 ceives both payments described in clause (ii) for the
21 month of the death of the veteran, the surviving
22 spouse is entitled to the greater of the two pay-
23 ments.

24 “(ii) The payments described in this clause are
25 the following:

1 “(I) Payment of a benefit under paragraph
2 (1).

3 “(II) Dependency and indemnity com-
4 pensation.”.

5 (2) APPLICATION.—The amendment made by
6 paragraph (1) shall apply with respect to payments
7 made by the Secretary of Veterans Affairs on or
8 after the date of the enactment of this Act.

9 **SEC. 3. REPAYMENT OF MISUSED BENEFITS.**

10 (a) IN GENERAL.—Section 6107(b) of title 38,
11 United States Code, is amended—

12 (1) in paragraph (1), by striking “In any case
13 in which a fiduciary described in paragraph (2)” and
14 inserting “In any case not covered by subsection (a)
15 in which a fiduciary”;

16 (2) by striking paragraph (2); and

17 (3) by redesignating paragraph (3) as para-
18 graph (2).

19 (b) APPLICATION.—The amendments made by sub-
20 section (a) shall apply with respect to the misuse of bene-
21 fits by a fiduciary occurring on or after the date of the
22 enactment of this Act.

1 **SEC. 4. SPECIAL COMPENSATION FOR LOSS OR LOSS OF**
2 **USE OF CREATIVE ORGANS.**

3 (a) **IN GENERAL.**—Section 1114 of title 38, United
4 States Code, is amended by adding at the end the fol-
5 lowing new subsection:

6 “(u)(1) Subject to paragraph (3), the Secretary shall
7 pay to a covered veteran two lump-sum special compensa-
8 tion payments each in the amount of \$10,000. The second
9 such payment may not occur less than one year after the
10 date of the first such payment.

11 “(2) Special compensation paid to a covered veteran
12 under paragraph (1) is in addition to disability compensa-
13 tion paid to the veteran pursuant to subsection (k), except
14 that in any month in which the veteran receives a payment
15 of such special compensation, the veteran may not also
16 receive such disability compensation pursuant to sub-
17 section (k).

18 “(3) A covered veteran shall submit to the Secretary
19 a separate, specific application for each payment of special
20 compensation paid under paragraph (1) in such form and
21 in such manner as the Secretary considers appropriate.

22 “(4) In this subsection, the term ‘covered veteran’
23 means a veteran who—

24 “(A) is paid disability compensation pursuant
25 to subsection (k) for—

1 “(i) the anatomical loss of one or more cre-
2 ative organs; or

3 “(ii) the permanent or static loss of use of
4 one or more creative organs; and

5 “(B) is eligible for payments under the trau-
6 matic servicemembers’ group life insurance program
7 under section 1980A of this title, or would be eligi-
8 ble for such payments but for the service of the vet-
9 eran occurring before the enactment of such section,
10 for qualifying losses relating to an injury described
11 in clause (i) or (ii) of subparagraph (A).”.

12 (b) APPLICATION.—Subsection (u) of section 1114 of
13 title 38, United States Code, as added by subsection (a),
14 shall apply with respect to a veteran who receives disability
15 compensation on or after the date of the enactment of this
16 Act

17 (c) REPORT.—Not later than one year after the date
18 of the enactment of this Act, the Secretary of Veterans
19 Affairs shall submit to the Committees on Veterans’ Af-
20 fairs of the House of Representatives and the Senate a
21 report on special compensation paid under subsection (u)
22 of section 1114 of title 38, United States Code, as added
23 by subsection (a). Such report shall include the following:

24 (1) The number of veterans who applied for
25 such special compensation.

1 (2) The number of veterans whom the Sec-
2 retary has paid such special compensation.

3 (3) A list, by frequency, of the service-con-
4 nected disabilities for which such special compensa-
5 tion was paid.

6 **SEC. 5. AUTOMATIC ANNUAL INCREASE IN RATES OF DIS-**
7 **ABILITY COMPENSATION AND DEPENDENCY**
8 **AND INDEMNITY COMPENSATION.**

9 (a) INDEXING TO SOCIAL SECURITY INCREASES.—
10 Section 5312 of title 38, United States Code, is amended
11 by adding at the end the following new subsection:

12 “(d)(1) Whenever there is an increase in benefit
13 amounts payable under title II of the Social Security Act
14 (42 U.S.C. 401 et seq.) as a result of a determination
15 made under section 215(i) of such Act (42 U.S.C. 415(i)),
16 the Secretary shall, effective on the date of such increase
17 in benefit amounts, increase the dollar amounts in effect
18 for the payment of disability compensation and depend-
19 ency and indemnity compensation by the Secretary, as
20 specified in paragraph (2), as such amounts were in effect
21 immediately before the date of such increase in benefit
22 amounts payable under title II of the Social Security Act,
23 by the same percentage as the percentage by which such
24 benefit amounts are increased.

1 “(2) The dollar amounts to be increased pursuant to
2 paragraph (1) are the following:

3 “(A) WARTIME DISABILITY COMPENSATION.—
4 Each of the dollar amounts in effect under section
5 1114 of this title.

6 “(B) ADDITIONAL COMPENSATION FOR DE-
7 PENDENTS.—Each of the dollar amounts in effect
8 under section 1115(1) of this title.

9 “(C) CLOTHING ALLOWANCE.—The dollar
10 amount in effect under section 1162 of this title.

11 “(D) DEPENDENCY AND INDEMNITY COM-
12 PENSATION TO SURVIVING SPOUSE.—Each of the
13 dollar amounts in effect under subsections (a)
14 through (d) of section 1311 of such title.

15 “(E) DEPENDENCY AND INDEMNITY COM-
16 PENSATION TO CHILDREN.—Each of the dollar
17 amounts in effect under sections 1313(a) and 1314
18 of such title.

19 “(3) Whenever there is an increase under paragraph
20 (1) in amounts in effect for the payment of disability com-
21 pensation and dependency and indemnity compensation,
22 the Secretary shall publish such amounts, as increased
23 pursuant to such paragraph, in the Federal Register at
24 the same time as the material required by section
25 215(i)(2)(D) of the Social Security Act (42 U.S.C.

1 415(i)(2)(D)) is published by reason of a determination
2 under section 215(i) of such Act (42 U.S.C. 415(i)).

3 “(4) Each dollar amount increased under paragraph
4 (1), if not a whole dollar amount, shall be rounded to the
5 next lower whole dollar amount.

6 “(5) The Secretary of Veterans Affairs may adjust
7 administratively, consistent with the increases made under
8 subsection (a), the rates of disability compensation pay-
9 able to persons under section 10 of Public Law 85–857
10 (72 Stat. 1263) who have not received compensation
11 under chapter 11 of this title.”.

12 (b) EFFECTIVE DATE.—Subsection (d) of section
13 5312 of title 38, United States Code, as added by sub-
14 section (a) of this section, shall take effect on December
15 1, 2016.

Amend the title so as to read: “A bill to amend title 38, United States Code, to adjust the effective date of certain reductions and discontinuances of compensation, dependency and indemnity compensation, and pension under the laws administered by the Secretary of Veterans Affairs, to authorize the Secretary to pay certain special disability compensation, to provide for annual cost-of-living adjustments to be made automatically by law each year in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of

certain service-connected disabled veterans, and for other purposes.”.

