

NOVEMBER 10, 2003

SCHAKOWSKY: JUSTICE FOR AMERICA'S DISABLED VETERANS

STUDY FINDS 7,000 DISABLED ILLINOIS VETERANS LOSE \$32.6 MILLION IN BENEFITS ANNUALLY
PARK RIDGE, IL - Calling for an end to the Disabled Veterans Tax, U.S. Representative Jan Schakowsky (D-IL) joined leaders of veterans' organizations to demand justice for disabled veterans in Illinois and across the country.

During a news conference at the Park Ridge VFW, Schakowsky released an Illinois-wide study, which concluded that more than 7,000 disabled veterans in the state are being denied their full benefits because of the Disabled Veterans Tax. Under current law, veterans who have served for 20 years or more and retire with a service-related disability cannot receive their full military pension. Their pension is reduced on a dollar-for-dollar basis by the amount they receive in disability compensation. In other words, disability compensation is taxed at a rate of 100%.

"Disabled veterans lose precious dollars each month because of the Disabled Veterans Tax. Many of those disabled veterans are on fixed incomes and they desperately need every dollar to keep the lights on, the heat running, the prescriptions filled or the rent paid on time. We must end the Disabled Veterans Tax - it is unfair, unjust and unpatriotic," Schakowsky said.

Schakowsky called for the immediate passage of H.R. 303, a bipartisan bill with more than 370 cosponsors that would immediately restore benefits to the 7,048 disabled veterans in Illinois and the more than 560,000 nationwide.

The study, which was requested by Schakowsky, U.S. Representatives Evans (D-IL), Ranking Democrat on the Veterans Affairs Committee, and Luis Gutierrez (D-IL) found:

- Thousands of veterans in Illinois are subject to the Disabled Veterans Tax. Over 7,000 veterans in Illinois lose military retirement benefits due to the Disabled Veterans Tax. More than one out of every five retired veterans in the state (22%) is subject to the Disabled Veterans Tax.
- The Disabled Veterans Tax costs veterans in Illinois millions of dollars annually. Statewide, veterans subject to the Disabled Veterans Tax lose \$2.7 million each month or \$32.6 million in benefits annually. This is an average of \$4,625 per affected veteran in the state annually. For these veterans, this amounts to a reduction in military benefits of 23%.

There are currently 32,514 veterans in Illinois who receive military retirement benefits and the average yearly benefit is \$15,800.[] []

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Below is the text of Schakowsky's statement:

**STATEMENT OF U.S. REPRESENTATIVE JAN SCHAKOWSKY (D-IL)
NEWS CONFERENCE TO ELIMINATE THE DISABLED VETERANS TAX
NOVEMBER 10, 2003**

"I wish to thank all of you for being here today and for your commitment to veterans in our state and across the country.[] You are an inspiration and I salute you for your dedication and loyalty to your fellow retired service men and women.

"Tomorrow is Veterans Day.[] We celebrate the men and women who served to protect our freedoms and honor those who sacrificed to keep us safe.[] But we are not fulfilling our commitment to the men and women who wore the uniform.[] Today, there are:

- 200,000 veterans waiting between six months to two years for a primary healthcare appointment at the VA;[]

- 14,000 veterans who have been waiting for more than 15 months for their 'expedited' disability claims to be finalized;[]

- Almost 300,000 veterans who are homeless on any given night, and more than half-a million who experience homelessness over the course of a year; and[]

- 560,000 disabled veterans across the country who are being denied their full pension.[] []

"How can President Bush send our men and women into battle today if he is unwilling to keep his promise to them tomorrow?[] I am afraid that the message President Bush and the Republican Congress is sending to our soldiers here at home and across the world is sacrifice for your country now, but don't expect to get what you deserve when you really need it.

"We must ensure that every veteran has access to quality health care and quality service and we must end the Disabled Veterans Tax - it is unfair, unjust and unpatriotic.[] []

"The Disabled Veterans Tax affects hundreds of thousands of veterans across the

country, and right here in Illinois, more than one out of every five veterans is denied what is rightly theirs. There are currently more than 32,000 veterans in Illinois who receive military retirement benefits, but more than 7,000 go without their full pension.

"Disabled veterans lose precious dollars each month because of the Disabled Veterans Tax. Many of those disabled veterans are on fixed incomes and they desperately need every dollar to keep the lights on, the heat running, the prescriptions filled or the rent paid on time.

"Democrats have a plan that would guarantee that all disabled veterans who served for 20 years or more and have a service related disability would receive their full pension and their full disability, today. Our bill, H.R. 303, has 374 cosponsors - that is almost 86% of the House of Representatives. If we had a vote on that bill in the House today, it would pass by a landslide, but the Republican leadership refuses to schedule a vote. Instead, they have offered a piecemeal plan that would leave out two-thirds of disabled military retirees, and make those they cover wait ten years for full benefits - a life sentence for many veterans.

"Veterans groups from across the country battle every day to eliminate the Disabled Veterans Tax and they agree that it is a burden on retired service men and women that can only be lifted by an act of Congress. I agree with the American Legion that the answer is to repeal the tax for all service-disabled military retirees.'

"Democrats are succeeding in our fight for our nation's veterans."

"We blocked most of the \$28 billion in cuts in veteran's benefits that would have slashed veterans health care, pensions, education."

"We blocked the President's proposal that would have imposed a \$250 enrollment fee for category 7 and category 8 veterans and would have increased their drug co-payment."

"We are fighting for an additional \$1.8 billion for veterans health care, money that was promised by the House Republicans, but never delivered."

"And Democrats will not stop until we eliminate the Disabled Veterans Tax. And with your help, victory is within our grasp."