United States General Accounting Office

GAO

Report to the Ranking Minority Member, Committee on Veterans' Affairs, U.S. Senate

November 1993

DISABLED VETERANS PROGRAMS

U.S. Eligibility and Benefit Types Compared With Five Other Countries

GAO/HRD-94-6

GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-254134

November 24, 1993

The Honorable Frank H. Murkowski
Ranking Minority Member
Committee on Veterans' Affairs
United States Senate

Dear Senator Murkowski:

In response to your request, we are reporting on disabled veterans' benefits in the United States and foreign countries. We examined how veterans' benefits provided by the United States compared with those provided by other countries.

We are sending copies of the report to interested congressional committees, the Secretary of Veterans Affairs, the Director of the Office of Management and Budget, and other interested parties. We also will make copies available to others upon request.

If you have any questions concerning the report, please call me at (202) 512-7215. Other major contributors are listed in appendix XI.

Sincerely yours,

Joseph F. Delfico

Joseph F. Delfico
Director, Income Security Issues

Executive Summary

Purpose

Growing budget deficits have forced the Congress to scrutinize expenditures in the country's entitlement programs. The Department of Veterans Affairs (VA) administers some of the largest entitlement programs in the country. The Ranking Minority Member of the Senate Committee on Veterans' Affairs asked GAO to compare the benefits the United States provides to disabled veterans with benefits provided by other countries. He was particularly interested in differences in types and amounts of benefits, eligibility for benefits, and types of agencies administering programs for disabled veterans.

Background

The United States provided over $33 billion in benefits to the nation's veterans, their survivors, and dependents in 1992. These benefits include income support, health care, and a variety of other benefits for disabled veterans. GAO reviewed programs of five foreign countries—Australia, Canada, Finland, Germany, and the United Kingdom—and compared the benefits those countries provide with benefits provided by the United States.

While reasonable comparisons can be made of the eligibility for and types of benefits provided, meaningful comparisons of the amounts of cash received by veterans under individual programs cannot be made because (1) the programs are not provided by all countries and (2) complete data are not available on the number of veterans receiving benefits under more than one major program at the same time or on benefits provided to disabled veterans under programs serving the general population. (See p. 16.)

The nine program areas compared and the U.S. expenditures for each area during fiscal year 1992 are

(1) compensation for service-connected disabilities—Cash is provided to veterans and their survivors for disabilities resulting from injuries or diseases that were incurred or aggravated during active military service ($12.7 billion);

(2) compensation for war veterans based on need—Cash is provided to permanently and totally disabled wartime veterans and their survivors, usually for nonservice-connected disabilities, on the basis of financial need ($3.6 billion);

(3) military disability retirement—Cash is provided to military service members and their survivors because the members became physically unfit to perform duties required of their grade, office, rank, or rating ($1.5 billion);

(4) health care—Medical care is provided for veterans and some dependents and survivors ($13.6 billion);

(5) education benefits—Cash is provided for educational needs of veterans and dependents of deceased veterans or of veterans totally disabled from service-connected causes ($692 million);

(6) job assistance—Training and job placement assistance is provided for veterans and some dependents and survivors ($348 million);

(7) housing benefits—A guaranty to lenders is provided against financial losses on loans to veterans, active duty military personnel, and certain surviving spouses seeking to buy, build, refinance, or repair a home ($631 million);

(8) burial benefits—Such items as burial plots in national cemeteries, headstones, flags, and other allowances are provided to veterans and their survivors ($104 million);

(9) life insurance—Protection is provided for military personnel and veterans, largely at their own expense.

Results in Brief

The United States offers benefits specifically for disabled veterans and their survivors in more program areas than any of the five other countries studied. However, there are major differences in the types of benefits offered, the eligibility requirements used to qualify for the benefits, and the methods used to compute the benefits. Where they do not have special programs for disabled veterans, the foreign countries provide some of the benefits the United States provides through programs that serve the general population as well. In fact, Germany and the United Kingdom administer most of their special veterans programs through general social service agencies rather than a separate veterans agency like the United States, Australia, Canada, and Finland.

Countries differ in the extent to which a veteran's disability must be service-connected in order for the veteran to receive benefits. Most foreign

countries require that a disability be closely related to the performance of military duty to qualify for disability benefits; no such link is required in the United States. As a result of the difference in eligibility requirements, the United States provides benefits for some disabilities that other countries would not. In a 1989 report,[1] GAO recommended that the Congress consider tightening the U.S. criteria.

Principal Findings

Differences in Veterans Benefits

The United States offers several benefits to its veterans that most of the other countries do not offer. For example, the United States is one of two countries in GAO's study offering life insurance for veterans and one of three countries providing special job assistance for veterans. Also, only the United States provides educational benefits to its veterans; the five other countries limit educational benefits to children of disabled or deceased veterans. However, most countries provide health care for disabled veterans. (See p. 24-28.)

All countries have programs that provide cash benefits for service-connected disabilities. However, the countries use different considerations in establishing the eligibility for and amount of compensation. For example, U.S. disability compensation is based on the average loss of earning capacity due to the service-connected disability. Australia's program compensates the veteran on the basis of physical or mental impairment and restriction of lifestyle due to the disability; the United Kingdom bases its compensation on the veteran's condition compared with that of a normal healthy person of the same age and sex, with earning capacity not considered. (See p. 19-20.)

Differences in Survivors Benefits

All countries provide benefits to survivors of veterans who died of service-connected disabilities. However, there are differences in eligibility for benefits when the death of these veterans is from nonservice-connected causes. In the United States, survivors of veterans who died from nonservice-connected causes can qualify for survivors benefits for disability compensation only when the veteran had been totally disabled from a service-connected disability for at least 10 years immediately preceding death or continuously since separation from the

[1] VA Benefits: Law Allows Compensation for Disabilities Unrelated to Military Service (GAO/HRD-89-60, July 31, 1989).

military for a period of at least 5 years. In Canada, Finland, and Germany, however, veterans who had service-connected disabilities but died from a nonservice-connected cause do not have to have been totally disabled for their survivors to qualify for benefits under counterpart programs.

Australia and the United Kingdom, on the other hand, have more restrictive eligibility requirements for survivors benefits than the United States. In the United Kingdom, only survivors of veterans whose death was service-connected qualify for benefits. Nearly 90 percent of Australian survivors had to demonstrate that the veteran's death was service-connected in order to qualify for benefits. (See p. 29-30.)

Differences in Relationship of Disability to Military Service

The definition of service connection is important because it determines eligibility for cash compensation and can affect eligibility for, or amounts of, other types of benefits. In the United States, a disease or injury resulting in disability is considered service-connected if it was incurred during a veteran's military tour or, if incurred before service, was aggravated by that service. The definition used by most other countries requires a close relationship between the disability and events occurring while performing military duties. To gain additional insight into these differences, GAO asked officials in each country whether they would compensate veterans for service-connected disabilities in 12 hypothetical cases. In general, the responses show that other countries will compensate veterans for service-connected disabilities under many of the same circumstances that the United States will, but they are less likely to do so when diseases are unrelated to military service, when the relationship of the disease to military service could not be established, or for off-duty injuries such as those that happen while on vacation. (See p. 35-38.)

Agency Comments

In a letter dated September 8, 1993, the Secretary of Veterans Affairs stated that the report provides an interesting comparison of U.S. veterans' benefits with similar benefits provided by several foreign countries. (See p. 95.) The Secretary said, however, that the report did not discuss the policy and socioeconomic issues that define each country's veterans programs and did not present any quantitative data showing the cost impact of offering the programs. He believes that this information is essential to make a meaningful comparison of benefits. He also stated that the GAO should limit use of the term "compensation" to describe service-connected disability payments since this is the term traditionally

associated with this program. Finally, he noted that his staff had provided GAO with some technical clarifications.

It was not within the scope of this assignment to explore the historical evolution of veterans benefits programs in the U.S. or elsewhere. Rather, GAO was requested to compare benefit types, eligibility, and administration between the U.S. and other countries.

GAO agrees that quantitative data comparing the monetary value of the various programs would be beneficial. However, as noted in the report (p. 16), such a comparison is not possible because not all countries provide all programs and, in those countries having the programs, data are lacking to make such a comparison.

GAO does not agree with the Secretary's concern about the use of the term "compensation." Given the context in which this term is used in the report, GAO believes that the term's meaning should be sufficiently clear.

The technical clarifications the Secretary refers to were provided to GAO before receipt of his letter and were incorporated in the report where appropriate.

Contents

Executive Summary		2
Chapter 1 Introduction		14
	U.S. Programs for Disabled Veterans	14
	Objective, Scope, and Methodology	15
	Perspective on Countries Included in This Report	17
Chapter 2 Differences in Benefits for Disabled Veterans		19
	All Countries Compensate Veterans for Service-Connected Disabilities but Use Different Payment Bases	19
	U.S. Compensation Program for Needy Veterans Has Different Eligibility Requirements Than Similar Programs in Other Countries	21
	Military Disability Retirement Programs Differ in Ways Compensation Amounts Are Determined	22
	U.S. Criteria for Receiving Compensation From Multiple Cash Programs Differ From Other Countries	23
	Most Countries Provide Specific Health Care Programs for Disabled Veterans	24
	The United States Is the Only Country That Provides Educational Benefits to Veterans	25
	The United States and Two Other Countries Have Job Assistance Programs Specifically for Veterans	26
	Veterans Housing Programs Vary in Scope	27
	Some Countries Provide Burial Benefits Only for Veterans With Service-Connected Disabilities	27
	The United States and Canada Have Life Insurance Programs for Disabled Veterans	28
Chapter 3 Differences in Benefits for Survivors of Disabled Veterans		29
	Eligibility Criteria Differ Among Countries Regarding Compensation for Survivors of Disabled Veterans	29
	Needs-Based Compensation Is Provided to Survivors by the United States and Four Other Countries	31
	Survivors' Military Disability Retirement Benefits Computed Differently Among the Countries	31
	The United States and Two Other Countries Offer Special Health Care Benefits to Survivors	32
	U.S. Survivors' Education Benefits Differ From Other Countries' in Beneficiaries Covered and in Eligibility Requirements	33

The United States Is the Only Country Providing Special Assistance to Survivors Seeking Jobs 34
The United States and Three Other Countries Provide Survivors' Housing Benefits 34
The United States, Australia, and Germany Are the Only Countries That Provide Survivors Burial Benefits 34

Chapter 4 Differences Among Countries in Relationship of Disability to Military Service 35
United States Defines Service-Connection More Broadly Than Other Countries 35
Hypothetical Cases Show United States Would Compensate for More Types of Disabilities 36

Appendix I United States Programs for Disabled Veterans, Their Survivors, and Dependents During 1990 40

Appendix II Australian Programs for Disabled Veterans, Their Survivors, and Dependents During 1990 52

Appendix III
Canadian Programs for Disabled Veterans, Their Survivors, and Dependents During 1990 60

Appendix IV
Finnish Programs for Disabled Veterans, Their Survivors, and Dependents During 1990 68

Appendix V
German Programs for Disabled Veterans, Their Survivors, and Dependents During 1990 74

Appendix VI
United Kingdom Programs for Disabled Veterans, Their Survivors, and Dependents During 1990 82

Appendix VII Average Amount Paid in Fiscal Year 1990 for Major Compensation Programs Specifically for Disabled Veterans 88

Appendix VIII Average Amount Paid in Fiscal Year 1990 for Major Compensation Programs Specifically for Survivors of Disabled Veterans 89

Appendix IX Administration of Veterans Benefits Programs 90
Several Countries Have Agencies Specifically for Veterans 90
Other Countries' Social Services Agencies Administer Programs for Disabled Veterans 91
The Workings of the Appeals Process 92

Appendix X Comments From the Department of Veterans Affairs 95

Appendix XI Major Contributors to This Report 96
Human Resources Division, Washington, D.C. 96
Translators 96

Tables
Table 1.1: Demographic Information on Countries Studied 17
Table 1.2: 1990 Gross Domestic Product of Countries Studied 18

Table 2.1: Availability of Specific Programs for Disabled Veterans During 1990 19
Table 2.2: Differences in Range of Disabilities Covered by the United States and Other Countries 20
Table 2.3: Comparison of U.S., Australian, and Canadian Compensation Reduction Features for Needs-Based Veterans Programs 22
Table 3.1: Specific Programs Available to Survivors of Disabled Veterans During 1990 29
Table 3.2: Methods of Computing Military Disability Retirement Survivors Benefits in the Four Countries Studied That Have Such a Program 32
Table 4.1: How the United States and Five Other Countries Would Compensate Veterans for Disabilities in 12 Hypothetical Cases 37

Abbreviations

DIC	Dependency and Indemnity Compensation
DOL	Department of Labor
GAO	General Accounting Office
OPM	Office of Personnel Management
VA	Department of Veterans Affairs

Introduction

For fiscal year 1992, benefits for veterans, their survivors, and dependents totaled $33 billion, including programs for income support, health care, and a variety of other programs specifically for veterans who have disabilities. The Department of Veterans Affairs (VA) administers the majority of these programs. Many foreign countries also have programs designed to provide benefits for disabled veterans.

U.S. Programs for Disabled Veterans

The delivery of benefits to disabled veterans in the United States can be categorized into nine program areas. These areas and the fiscal year 1992 expenditures are as follows:

- Compensation for service-connected disabilities. This program provides cash benefits to veterans and their survivors for disabilities resulting from injuries or diseases that are incurred or aggravated during active military service. ($12.7 billion.)
- Compensation for disabled war veterans based on need (called the Pension program in the United States). This program provides cash to permanently and totally disabled wartime veterans and their survivors, usually for nonservice-connected disabilities, based on their financial need. ($3.6 billion.)
- Military disability retirement. This program, administered by the Department of Defense, provides cash benefits to active-duty service members who become physically unfit to perform duties required of their grade, office, rank, or rating, and their survivors. ($1.5 billion.)
- Health care. This program provides comprehensive health care to eligible veterans and some dependents and survivors. ($13.6 billion.)
- Education benefits. This program provides cash for the educational needs of veterans and, in some cases, their dependents and survivors. ($692 million.)
- Job assistance. These programs fund training and job placement assistance, including preference for federal civil service employment for veterans with service-connected disabilities and some dependents and survivors. (Department of Veterans Affairs-$198 million and Department of Labor-$150 million.)
- Housing benefits. This program provides a guaranty to lenders against financial loss pertaining to the acquisition, building, refinance, or repair of a home by veterans, active-duty military personnel, and certain surviving spouses. ($631 million.)
- Burial benefits. This program provides burial in national cemeteries for veterans, spouses, and dependent children and allowances on behalf of

disabled veterans and their survivors for such items as headstones, plots, and flags. ($104 million.)

- Life insurance. This program provides life insurance to military personnel and certain veterans largely at their own expense.

Objective, Scope, and Methodology

The Ranking Minority Member of the Senate Committee on Veterans' Affairs asked us to review the benefits other countries provide to disabled veterans and compare these benefits with those provided by the United States. Specifically, he was interested in

- differences in eligibility for benefits,
- types and amounts of benefits that are available, and
- types of agencies administering programs for disabled veterans.

We compared the disabled veterans benefits programs of the United States with those of Australia, Canada, Finland, Germany, and the United Kingdom. We selected these countries on a judgmental basis, considering that each (1) provides benefits specifically for disabled veterans, (2) has an active military establishment that has been involved in at least one war in the past 50 years, and (3) is among the economically advanced countries in the world.

Our analyses for each country included data on (1) the veteran population; (2) the disabled veteran population; (3) program expenditures for fiscal year 1990, the base year used in our comparisons; (4) objectives and eligibility criteria for the programs; (5) numbers and types of program participants; (6) the range of monetary benefits or services provided; (7) methods of computing benefit amounts; (8) the structure of the veterans appeals process; and (9) the types of agencies administering programs. Germany provided this information in German; we used translators from VA and the Department of State to translate these documents into English. We prepared summaries of information used in this report and asked officials in the other countries to review and comment on these summaries. Their comments were considered in finalizing this report.

We did not make an in-depth analysis of policy perspectives behind each country's veterans programs nor did we attempt to review the entire income security system in each country that may provide additional benefits to veterans as well as other citizens. Where a country did not have a program in a benefit area specifically for disabled veterans, we identified

that country's social services programs to determine whether disabled veterans might be able to get benefits from programs serving that country's general population. Where appropriate, benefits from these nonveteran-specific programs are described.

Also, comparisons among the countries of benefits paid to disabled veterans for the major cash programs—compensation for service-connected disabilities, needs-based compensation, and military disability retirement—are not possible. This is because (1) not all countries provide benefits under all major cash programs, (2) veterans may receive benefits under more than one major cash program and an unduplicated count of veterans receiving program benefits is not available for other countries, and (3) complete data are not available on benefits provided to disabled veterans in programs designed for the general population.

To quantify the monetary benefits of the programs, we collected data on each country's expenditures for its own fiscal year 1990. We used 1990 benchmark purchasing power parities[1] published in National Accounts, a 1991 Organization for Economic Cooperation and Development document, to convert these expenditure levels to their equivalent in U.S. dollars. The converted amounts are used throughout this report.

To examine the conditions under which other countries would provide compensation to veterans for service-connected disabilities, we developed 12 hypothetical cases and asked officials in other countries whether and to what extent compensation would be provided by their countries for each case. The United States would provide compensation in all but two of these hypothetical cases. The hypothetical cases were developed using examples from a prior report[2] as a guideline. The cases were discussed with VA's then Assistant Director for Adjudication Procedures, Compensation and Pension Service to obtain his concurrence that they represented the types of cases the VA approves. While the cases represent the broad range of situations VA adjudicates, we did not ascertain the numbers of each type of case the VA encountered in 1990. Thus, we do not know the extent to which these cases represent VA's actual experience.

[1]Purchasing power parities are the units of each currency required to purchase the same quantity of goods and services within each respective country as a U.S. dollar can purchase in the United States. In this sense, purchasing power parities are the terms of exchange that equal national price levels.

[2]VA Benefits: Law Allows Compensation for Disabilities Unrelated to Military Service (GAO/HRD-89-60, July 31, 1989).

We conducted our review from April 1991 through January 1993. Our review was conducted in accordance with generally accepted government auditing standards.

Perspective on Countries Included in This Report

The United States and each of the five foreign countries studied have programs to provide benefits for disabled veterans and an active military establishment. Each of these countries was involved in World War II, and, except for Germany, each has been involved in military activities around the world in more recent years. All six countries define a veteran as a former member of the armed forces, including at least the army, navy, and air force. Finland considers only those who served in war as veterans, but provides benefits also to armed forces members who served in peacetime. Table 1.1 shows each country's estimated mid-1990 population, veterans population, and number of disabled veterans.

Table 1.1: Demographic Information on Countries Studied

Country	Estimated population (millions)	Number of veterans (thousands)	Veterans as a percent of population	Number of disabled veterans (thousands)	Disabled veterans as a percent of all veterans
U.S.	251.4	26,885	11	2,184	8
Australia	17.1	632	4	160	25
Canada	26.6	613	2	95	15
Finland	5.0	262	5	41	15
Germany	63.2	[a]	[a]	[a]	[a]
United Kingdom	57.4	5,000	9	192	4

[a] Germany did not provide this data.

All the countries we studied except for Germany provide benefits to veterans disabled during war and peacetime. Germany provides benefits only to veterans and civilians who incurred disabilities during World Wars I and II, as well as their dependents and survivors. Benefits for disabilities incurred by service members after World War II are provided for under separate laws, which together serve Germany's general population.

Each of these countries also has a substantial economic base. Table 1.2 shows each country's 1990 Gross Domestic Product[3] in total and per capita.

[3]Gross Domestic Product is the total of gross expenditures on the final uses of the domestic supply of goods and services valued at purchasers' values less the value of imports of goods and services.

Table 1.2: 1990 Gross Domestic Product of Countries Studied

	Gross Domestic Product in U.S. Dollars at Purchasing Power Parity	
Country	**Millions**	**Per capita**
U.S.	$5,329,200	$21,198
Australia	272,918	15,960
Canada	507,575	19,119
Finland	81,866	16,373
Germany	1,157,065	18,298
United Kingdom	975,345	16,992

Appendixes I through VI describe each of the countries' programs for disabled veterans, their survivors, and dependents during 1990. Appendixes VII and VIII provide information on the average benefits for veterans and survivors under the three major compensation programs for each country. Appendix IX describes the administration of veterans benefits programs in each country studied. The Department of Veterans Affairs provided written comments on a draft of this report. These comments appear in appendix X.

Differences in Benefits for Disabled Veterans

The United States provides a more extensive array of programs specifically for disabled veterans than the five other countries we studied. However, the foreign countries provide some of these benefits to veterans through programs that provide benefits to nonveterans as well. Table 2.1 shows the areas where countries have programs specifically for disabled veterans. The United States has programs specifically for disabled veterans in each area. Germany's benefits are limited to disabilities incurred in World Wars I and II by veterans and civilians who were victims of the wars.

Table 2.1: Availability of Specific Programs for Disabled Veterans During 1990

Program area	Australia	Canada	Finland	Germany	United Kingdom
Compensation for service-connected disabilities	Yes	Yes	Yes	Yes	Yes
Compensation based on need	Yes	Yes	Yes	Yes	No
Military disability retirement	Yes	Yes	No	No	Yes
Health	Yes	Yes	Yes	Yes	No
Education	No	No	No	No	No
Job assistance	No	Yes	No	Yes	No
Housing	Yes	Yes	Yes	Yes	Yes
Burial	Yes	Yes	Yes	Yes	Yes
Life insurance	No	Yes	No	No	No

Our analysis of types of benefits in each of the program areas follows.

All Countries Compensate Veterans for Service-Connected Disabilities but Use Different Payment Bases

The United States and all of the other countries in our study have a program that provides compensation for veterans with service-connected disabilities. The foreign countries differ from the United States in how compensation is determined for these disabilities. We do not know, however, to what extent these differences would result in varying assessments of a veteran's degree of disability.

The United States compensates for the veteran's reduction in earning capacity. This compensation is based on the average loss of earning capacity due to the service-connected disability. In addition, veterans may receive additional compensation if (1) they have dependents and are at least 30-percent disabled or (2) they have certain special disabilities, such as missing limbs.

Other countries' service-connected compensation programs use different payment bases from that of the U.S. program. Australia's program compensates the veteran on the basis of the physical or mental impairment and restriction of lifestyle. Canada's program compensates the veteran on the basis of loss of body wholeness or loss of working capacity. Finland's program compensates the veteran for the general impairment of the ability to enjoy life. Germany's program is based on the veteran's (1) additional living expenses resulting from the disability, (2) impairment of body integrity, or (3) financial losses that the disability causes in activities outside his or her primary job.[1] In the United Kingdom, service-connected compensation is based on a comparison of the veteran's condition with that of a normal healthy person of the same age and sex, with earning capacity not considered.

The other countries also differ from the United States in the percentage range of disabilities for which compensation is paid. Table 2.2 shows these differences based on each country's own assessment of degree of disability.

Table 2.2: Differences in Range of Disabilities Covered by the United States and Other Countries

Country	Range of disabilities	Increments
United States	0 to 100 percent	10 percent
Australia	10 to 100 percent	10 percent
Canada	1 to 100 percent	1 percent
Finland	10 to 100 percent	5 percent
Germany	30 to 100 percent	10 percent
United Kingdom	20 to 100 percent	10 percent

The higher the percentage of disability, the more compensation the veteran receives in each country.

[1]Financial losses that affect the primary job are considered under compensation based on need. Compensation for service-connected disabilities and compensation based on need together form a single system for providing benefits to disabled persons. They are not separate programs, but are listed as separate program areas for purposes of comparison with programs of the United States.

U.S. Compensation Program for Needy Veterans Has Different Eligibility Requirements Than Similar Programs in Other Countries

Except for the United Kingdom, all of the countries studied have programs specifically for certain disabled veterans who are in financial need. The eligibility requirements for programs in the United States, however, differ from the eligibility requirements for the other countries' programs in the areas of (1) whether the disability must be total and (2) income allowed before needs-based compensation is reduced.

The United States and the four other countries that have needs-based, or income support, programs for veterans share a similar general objective—to provide cash benefits to needy veterans who served in the military during a period of war. The U.S. program provides income to needy veterans who served in time of war and who are totally and permanently disabled for reasons that are generally not traceable to military service. The Australian, Canadian, Finnish, and German programs for needy disabled war veterans, in contrast to the U.S. program, provide benefits for partial disabilities rather than require that the veteran be totally disabled. Each country except Finland and Germany provides these benefits whether or not the disability is related to military service. In Finland and Germany, the disability must be service-connected.

The United States, Australia, Canada, and Finland have established a maximum benefit amount available from their needs-based, or income support, programs. Except in Finland, this maximum amount varies by family size, and in all four countries the benefit amount is adjusted downward by income received by veterans in these countries; however, in Australia, Canada, and Finland deductions are made only if incomes exceed certain amounts.

Table 2.3 illustrates how these differing features would operate for a married veteran with annual income of $5,000. Insufficient data were provided by Germany to ascertain to what extent income is allowed before needs-based compensation was reduced or by Finland to ascertain the amount of benefit reduction when income exceeds established limits.

Table 2.3: Comparison of U.S., Australian, and Canadian Compensation Reduction Features for Needs-Based Veterans Programs (in U.S. Dollars)

	United States	Australia	Canada
Income	$5,000	$5,000	$5,000
Income allowed before compensation is reduced	0	1,309	3,312
Income exceeding cutoff	5,000	3,691	1,688
Reduction factor (in percent)	100	50	100
Reduction amount	$5,000	$1,846	$1,688

Military Disability Retirement Programs Differ in Ways Compensation Amounts Are Determined

The objectives of the military disability retirement programs in the United States, Australia, Canada, and the United Kingdom (the only countries in our study that have such programs) are similar—to compensate military personnel who incur a disability that prevents them from performing military duties. However, the other three countries differ from the United States in the way retirement compensation amounts are determined.

- U.S. military disability retirement payments are based on military pay combined with a factor of either degree of disability or length of service.
- Australian military disability retirement compensation is based on the veteran's pay while in military service and the veteran's capacity to perform civilian work. If retirement based on length of service yields a greater payment, the veteran may receive that instead.
- Canadian military disability retirement pay is based on length of service and military pay for the 6 years during which that pay was highest (2 percent of pay times years of service), but not on degree of disability. Payments are financed by service members' contributions while on active-duty and government matching contributions.
- United Kingdom military disability retirement compensation is determined differently for veterans in two groups: (1) those with service-connected disabilities 20 percent or greater, and (2) those with service-connected disabilities less than 20 percent or any nonservice-connected disabilities. Those with 20 percent or greater service-connected disabilities receive a military disability retirement annuity that increases with rank and degree of disability, but not length of service. Those in the second group receive an annuity plus a lump sum that increases with length of service and is higher for officers than for nonofficers. Degree of disability does not enter into annuity compensation for the latter group.

U.S. Criteria for Receiving Compensation From Multiple Cash Programs Differ From Other Countries

The United States differs from other countries in overall eligibility for the three major cash programs: (1) compensation for service-connected disabilities, (2) compensation based on need, and (3) military disability retirement income. Moreover, the United States differs from other countries in the extent to which compensation in one program is offset against compensation in others.

A U.S. veteran cannot receive compensation under all three major cash programs. The veteran can receive compensation for (1) service-connected disabilities and military disability retirement at the same time or (2) military disability retirement and compensation based on need. The veteran cannot, however, simultaneously receive compensation based on a service-connected disability and need. This differs from Australia and Canada where a veteran can receive compensation for all three programs at the same time, and in Finland and Germany where a veteran can receive compensation based on service-connected disabilities and compensation based on need. There is no military disability retirement program in Finland or Germany.

The United States also differs from other countries in provisions for offsets between compensation for service-connected disabilities and military disability retirement. U.S. law requires that military disability retirement pay be reduced dollar for dollar by any compensation received for service-connected disabilities. However, the three foreign countries with a military disability retirement program—Australia, Canada, and the United Kingdom—do not call for an offset of compensation between these programs.

Offsets between military disability retirement and needs-based compensation are similar in the countries that have both programs—the United States, Australia, and Canada. U.S. law requires that needs-based compensation be reduced dollar for dollar by any military disability retirement pay received. The other two countries also count military disability retirement payments as income for needs-based compensation, with a resulting offset. Canada also counts compensation for service-connected disabilities as income for needs-based compensation, while Australia does not.

Most Countries Provide Specific Health Care Programs for Disabled Veterans

All countries provide health care to veterans through their general medical systems to some extent. However, the United States, Australia, Canada, and Finland have separate veterans health facilities, while the remaining two countries provide veterans health care at facilities of their general medical systems. In general, only veterans who receive compensation for service-connected disabilities or needs-based compensation are eligible for health care services in the five foreign countries studied. In the United States, veterans who receive compensation for service-connected disabilities are entitled to health care, and veterans who are needy also are eligible. However, veterans who do not have service-connected disabilities and who are not needy may receive health care, but they must share in the costs of such care. However, veterans in the United Kingdom receive health care only through the general medical system without funding from the agency which administers most veterans programs.

The U.S. veterans health care system is composed of 171 hospitals providing inpatient and outpatient care, plus nursing homes, outpatient clinics, and domiciliaries. In 1991, VA estimated that about 10 percent of U.S. veterans used the VA health care system. VA also pays for care on a contract basis in non-VA facilities under some circumstances. U.S. veterans may also obtain care under the general medical system, either at their own expense, through private insurance, or through other government programs, such as Medicare and Medicaid.

Three of the other countries we studied also have health facilities specifically for veterans with service-connected disabilities or who are needy. In 1990, Australia operated nine hospitals, 11 artificial limb and brace centers, and one nursing home for veterans. Canada administers one hospital and two nursing homes for veterans, and pays for the health needs of disabled veterans who can receive services in their own homes under its Veterans Independence Program. Both Australia and Canada are in the process of turning over their veterans hospitals and other veterans care facilities to their states and provinces, respectively. For example, as of 1993, Australia operated six hospitals, nine artificial limb and brace centers, and one nursing home. Finland's Disabled War Veterans Association operates three hospitals, three rehabilitation centers, and three nursing homes—largely at the expense of Finland's government—with over 50 rehabilitation centers and health spas cooperating with the Association.

Health care also is available to veterans who have service-connected disabilities or who are needy through these countries' general health care

systems. Australia's Department of Veterans Affairs pays for veterans health care at, for example, public hospitals and, on an outpatient basis, through an extensive network of local medical and dental care providers. Canadian disabled veterans also may receive health care at provincial hospitals and other health facilities at the Department of Veterans Affairs expense. In Finland, veterans with at least 30 percent service-connected disabilities can obtain medical care primarily at veterans' agency expense through the general medical system.

In Germany and the United Kingdom, there are no facilities specifically for veterans, and the general health system provides health care for disabled veterans. The cost of services for German veterans with service-connected disabilities is reimbursed by the social service agency that administers veterans benefits. Reimbursements are made to either (1) health insurance companies or (2) local health insurance funds set up to cover the health needs of citizens who are not covered by the health insurance companies. In the United Kingdom, the National Health Service bears the cost of providing health care to all citizens, including veterans, out of general tax revenue. Veterans with service-connected disabilities receive priority for treatment for these disabilities over all but emergency cases at National Health Service hospitals.

The United States Is the Only Country That Provides Educational Benefits to Veterans

Benefits for U.S. veterans may be awarded for such studies as those leading to a college degree or technical school certificate, apprenticeship or on-the-job training, and farm cooperative courses. Certain disabled veterans may also be eligible for educational benefits under the vocational rehabilitation program as discussed in the next section. The veteran may not, however, receive benefits from both programs at the same time.

Other countries' educational programs are limited to children of disabled or deceased veterans. The United States also provides educational benefits to spouses and children of certain disabled or deceased veterans. (See ch. 3.)

The United States and Two Other Countries Have Job Assistance Programs Specifically for Veterans

The United States, Canada, and Germany operate programs that provide veterans assistance to obtain and maintain employment. In the United States, veterans rated at 20-percent disabled or more who have an employment handicap are eligible for vocational rehabilitation services provided by VA.[2] Services provided include job counseling and assistance and cash for trade, business, technical, or college training, on-the-job training or apprenticeship, farm training, or use of special rehabilitation facilities when necessary.

The U.S. Department of Labor assists veterans in finding jobs through (1) the Disabled Veterans Outreach Program, (2) Local Veterans Employment Representatives, (3) the Job Training Partnership Act Program, and (4) the Homeless Veteran Reintegration Project. In general, these programs provide veterans with assistance, as needed, in counseling; testing; vocational selection and training; assistance with readjustment problems; job search; and placement; and in the case of the homeless veteran, with housing referral assistance. In addition, Labor works with the Department of Defense and VA to provide job and other assistance to separating military members and their spouses to help readjustment to civilian life.

U.S. disabled veterans who were separated from active military duty under other than dishonorable conditions and who have a compensable service-connected disability also are eligible for preference when applying for and retaining jobs under the federal civil service.

As in the United States, Canada provides cash for many of the same types of training opportunities funded by the United States, subsistence specifically for disabled veterans' living expenses during job training, and additional amounts for dependents. These payments are in addition to those received under the disability compensation program. Veterans can be trained at vocational schools, colleges, or universities.

Germany provides vocational rehabilitation in training and job assistance centers and provides cash to veterans who cannot perform full-time work because of their disabilities or who need subsistence support. Unlike U.S. and Canadian participants, however, German vocational rehabilitation program participants may not receive both cash associated with job training and compensation for a service-connected disability at the same time.

[2]Effective October 1, 1993, in accordance with Public Law 102-568, veterans with a 10-percent disability rating are eligible if they have a serious employment handicap.

The other countries in our study provide job assistance services to disabled government employees or the general disabled population, but not specifically for disabled veterans. However, beginning in 1991, Finland instituted a vocational rehabilitation program for disabled veterans.

Veterans Housing Programs Vary in Scope

All of the countries in our study provide housing related benefits to veterans, although the types of benefits differ. The United States assists veterans in buying a home by providing loan guarantees. Additionally, the United States provides grants to veterans who are severely disabled by service-connected disabilities for adapting their homes to allow increased movement from place to place and offers up to $40,000 of mortgage life insurance (to cover these home adaptations), with premiums to be paid by the veteran.

Some of the other countries provide home buying assistance, others provide funds for home adaptation, but none provide both. Australia and Germany provide home acquisition benefits for veterans, the former through mortgage interest subsidies and the latter by allowing lump-sum payments of future compensation for service-connected disabilities on the basis of the veteran's age. Canada, Finland, and the United Kingdom pay for home adaptations for disabled veterans. Canada also provides veterans priority in renting housing originally designed for veterans but which is now open to the general population. Australia offers homeowner-financed home insurance.

Some Countries Provide Burial Benefits Only for Veterans With Service-Connected Disabilities

All countries provide burial benefits for veterans. The three European countries, however, limit these benefits to veterans whose death was the result of, or who had service-connected disabilities.

The United States provides a burial grant and plot allowance for veterans who had received compensation based on either service-connected disabilities or need, although the amount of the grant is greater if the death was a result of a service-connected disability. The United States also provides all veterans burial flags and either grave markers or, until November 1990, a headstone allowance. Veterans are also eligible for burial in national cemeteries.

Australia and Canada pay for burial of veterans who had received compensation for service-connected disabilities. Australia also provides burial benefits for veterans who (1) received needs-based compensation,

(2) were indigent and whose deaths were war-caused, or (3) died while receiving medical treatment in health facilities approved by the agency that administers most veterans programs. The amount of benefits for those who received compensation for service-connected disabilities is larger than the amounts for veterans who received compensation based on need. Also, Australia provides commemorative plaques to mark the graves of veterans who died of war-related causes. Canada also may pay for burials and grave markers for veterans who had received needs-based compensation depending on the value of the estate.

The European countries are more restrictive. Finland, Germany, and the United Kingdom limit payment of burial costs to veterans who had died of or had service-connected disabilities.

The United States and Canada Have Life Insurance Programs for Disabled Veterans

Of the countries studied, only the United States and Canada have life insurance programs for veterans. Canada also provides disability insurance to service persons, while the United States does not. Premiums are paid in whole or in part by the veterans in both countries except in Canada where premiums for life insurance are waived for totally disabled veterans under 65 years of age.

The other countries in our study did not offer life insurance specifically for veterans. Finland, however, sponsored life insurance for all employees—including military personnel—financed by premiums paid by the employer and employee.

Differences in Benefits for Survivors of Disabled Veterans

The United States provides more types of benefits to veterans' survivors than the other countries included in our study. Similar to programs for disabled veterans (see ch. 2), foreign countries provide some benefits to survivors of disabled veterans through programs that serve the general population. Areas where other countries have programs specifically for veterans' survivors are shown in table 3.1. The United States has programs in each of these areas for survivors of disabled veterans, but neither the United States nor any other country offered survivor life insurance benefits. Survivor benefits in Germany are available only for survivors of veterans disabled in World Wars I or II.

Table 3.1: Specific Programs Available to Survivors of Disabled Veterans During 1990

Program area	Australia	Canada	Finland	Germany	United Kingdom
Compensation for service-connected disabilities	Yes	Yes	Yes	Yes	Yes
Compensation based on need	Yes	Yes	Yes	Yes	No
Military disability retirement	Yes	Yes	No	No	Yes
Health	Yes	No	No	Yes	No
Education	Yes	Yes	Yes	Yes	Yes
Job assistance	No	No	No	No	No
Housing	Yes	No	No	Yes	Yes
Burial	Yes	No	No	Yes	No

All countries provide benefits to the survivors of veterans with service-connected disabilities, but significant differences exist between the United States and the other countries in rules for establishing entitlement to these benefits. Also, there are few similarities between the United States and other countries in the methods they use for computing survivor benefits. Our analysis of benefits in each program area follows.

Eligibility Criteria Differ Among Countries Regarding Compensation for Survivors of Disabled Veterans

All countries provide monthly cash benefits to survivors of veterans who died as a result of a service-connected disability—the Dependency and Indemnity Compensation (DIC) program provides these benefits in the United States. When a veteran has a service-connected disability but dies of a nonservice-connected cause, eligibility criteria for survivors benefits vary; some countries have less restrictive criteria than the United States while others have more.

In the United States, the DIC program also covers survivors of veterans who died from nonservice-connected causes, but only when the veteran had been rated totally disabled from a service-connected disability for at least 10 years immediately preceding death or continuously since separation from the military for a period of at least 5 years.

In Canada, Finland, and Germany, however, disabled veterans who died from a nonservice-connected cause need not have been totally disabled for their survivors to qualify for compensation. In Canada, surviving spouses and dependent children are eligible for compensation when the veteran had a disability rating of at least 5 percent at the time of death. Full compensation is provided if the veteran had been rated at 48 percent or more disabled or the veteran's death was from a service-connected disability.

Survivors of veterans in Finland are eligible for at least partial compensation if the veteran had a disability rating of 30 percent or more at the time of death and compensation at the highest amount if the veteran's disability was rated 75 percent or more or the death was service-connected.

In general, compensation for survivors of German disabled veterans is not dependent on the cause of death. Surviving spouses can receive compensation for the veteran's lost earning capacity and compensation for nursing a veteran over many years. Partial compensation is provided when the disabled veteran's death is not service-connected. Similar benefits (except nursing compensation) are available for orphans and surviving dependent parents.

Australia and the United Kingdom, on the other hand, have more restrictive eligibility requirements for survivors benefits than the United States does. In the United Kingdom, only survivors of veterans whose deaths were service-connected qualify for compensation. Survivors of Australian veterans in two of Australia's four rates of compensation for service-connected disabilities must demonstrate that the veteran's death was service-connected in order to qualify for compensation. At the end of fiscal year 1990, survivors receiving compensation under these two rates represented about 87 percent of those receiving compensation. Survivors of veterans in the other two rates—one for extreme disability and the other for loss of income due to the disability—are eligible for compensation regardless of the cause of death.

Needs-Based Compensation Is Provided to Survivors by the United States and Four Other Countries

In the United States and Canada, survivors of war veterans are eligible for needs-based compensation. However, needs-based compensation in Australia, Finland, and Germany is provided only to survivors of veterans who were receiving compensation for a service-connected disability. Income limits and compensation offsets similar to those for the veteran (see ch. 2) apply to survivors, and benefits are reduced by the income received.

The United States provides needs-based compensation to surviving spouses based on flat rates that depend on the number of dependent children. Additional amounts are paid for spouses in need of aid and attendance or who are housebound. Orphan children also are eligible and are paid at a flat rate less any countable income they may receive.

Other countries compute benefits much the same way, although Australia differs slightly in that it computes benefits for widows at one-half of the amount paid to the couple when the veteran was alive. Australia provides an additional amount for dependent children on the basis of age and student status. Canada develops the flat rate for surviving spouses on the basis of family size with higher amounts for blindness. Orphan children also receive a flat amount. Finland provides a flat annuity to a spouse, orphan, or parent who survives a veteran with at least a 30-percent disability. Lump sums are provided instead of an annuity for the surviving children or widow of a veteran with 10- to 25-percent disabilities. Germany provides surviving spouses, orphans, and dependent parents compensation based on need and also provides surviving spouses compensation for the estimated income the veteran would have earned had he or she lived.

Survivors' Military Disability Retirement Benefits Computed Differently Among the Countries

Survivors of veterans in the United States and three other countries—Australia, Canada, and the United Kingdom—are eligible for military disability retirement compensation. To be eligible for these benefits, the veteran must have been receiving military disability retirement at the time of death.

Survivors in each country receive cash benefits that are a percentage of the compensation received by the retiree. However, the percentage varies by country and within a country, depending on the survivor's relationship to the deceased veteran. Details are shown in table 3.2.

Table 3.2: Methods of Computing Military Disability Retirement Survivors Benefits in the Four Countries Studied That Have Such a Program

Country	Surviving Spouse	Surviving Dependent	Orphans
U.S.	Fifty-five percent of the amount paid to the veteran reduced to 35 percent when spouse becomes age 62.	No additional benefit.	Same amount as paid to spouse, divided evenly among the veteran's orphans.
Australia	Five-eighths of the amount paid to the veteran.	One-sixth of the amount paid to the spouse plus $312 per year; indexed annually.	One-eighth of the amount that would have been paid to a surviving spouse plus $702 per year.
Canada	Fifty percent of the amount paid to the veteran at time of death.	One-fifth of the amount paid to the surviving spouse for each child (up to four children).	Two-fifths of the amount paid to the surviving spouse for each orphan (up to four children).
United Kingdom	If the veteran died from service-connected disabilities, the spouse receives 90 percent of the full career annuity for the veteran's rank reduced by third-party compensation for the death and any other pension the spouse receives.	If the death was service-connected, 20 percent of the veteran's career annuity reduced by amounts the children receive from any other source.	If the veteran's death was service-connected, 40 percent of the veteran's career annuity reduced by amounts the children receive from any other sources.
	If the veteran's death was nonservice-connected, continuation of the veteran's annuity (or any nonservice-connected annuity for which the veteran was eligible but did not receive) for 3 to 6 months. Thereafter a spouse would receive 50 percent of the veteran's annuity.	If death was not service-connected, 50 percent of the veteran's annuity divided equally among the children, with no child receiving more than one-quarter of the veteran's annuity.	If the veteran's death was not service-connected, 50 percent of the veteran's annuity divided among the veteran's children. No child may receive more than one-fourth of the veteran's annuity.

The United States and Two Other Countries Offer Special Health Care Benefits to Survivors

Although eligibility requirements differ, certain survivors and dependents of disabled veterans in the United States and survivors in Australia and Germany are eligible for health benefits specifically because of their relationship to the deceased or disabled veteran. In the United States, four categories of survivors and dependents are eligible for VA health care. These are the spouse and/or children of (1) a service member who died in service, (2) a veteran who died as a result of a service-connected disability, (3) a veteran who had a total disability, permanent in nature, but whose death was not a result of the disability, and (4) a living veteran who has a total permanent service-connected disability.

Health care for U.S. dependents and survivors normally is obtained from civilian sources; however, VA facilities may be used under certain conditions, for example, if the needed services and necessary resources are available. Dependents and survivors eligible for medical care under

other government programs or from the military services are not eligible for VA medical care.

Australia provides health care services to survivors of veterans, including children of (1) veterans who had received compensation for service-connected disabilities and (2) deceased veterans who had war service if the children are not being cared for by the remaining parent. Dependents of Vietnam veterans in need of urgent treatment can also receive health care benefits. Care is provided in Australia-operated facilities as well as through a network of medical and dental providers.

Germany pays for health care to survivors who are receiving state assistance. Survivors can receive medical care if the veteran had at least a 50-percent disability. However, German survivors must meet need-requirements. Survivors are not eligible if (1) their earnings exceed those that would entitle them to health insurance, (2) a health insurance carrier is obligated to pay for the health services, (3) the treatment is guaranteed under another law, or (4) the individual has private health insurance. Eligible survivors' health care costs are paid for in the same way as are those for veterans. (See ch. 2.)

U.S. Survivors' Education Benefits Differ From Other Countries' in Beneficiaries Covered and in Eligibility Requirements

The United States and each other country studied provided education benefits for survivors. The United States is the only country, however, that provides education benefits for surviving spouses. Other countries provide education benefits only to the children of disabled or deceased veterans.

In the United States, spouses and children are eligible for educational benefits if the veteran died or was permanently and totally disabled as a result of a disability caused by military service, or died from any cause while rated permanently and totally disabled from a service-connected disability.[1] Canada, Finland, and Germany, unlike the United States, do not require that the veteran (1) die from service-connected causes or (2) have had a permanent and total disability. They generally require only that the recipient be the child of a disabled veteran who died, regardless of the cause of death. In Germany, however, the family must be needy; income and assets reduce the education benefits otherwise payable. Australia veterans' deaths generally must be service-connected in order for their children to qualify for educational benefits. In the United Kingdom, the

[1]Educational benefits are also available to spouses and children of service persons missing in action, captured, or detained in the line of duty by a foreign government.

maximum education benefit for children has been frozen since 1961 and the program was terminated in April 1993.

The United States Is the Only Country Providing Special Assistance to Survivors Seeking Jobs

While all countries provide job assistance to veterans, either in special programs or in programs serving a wider population (see ch. 2), the United States is the only country that provides special benefits to certain survivors. Spouses and, in some cases, mothers of disabled U.S. veterans are eligible for preference when applying for a federal civil service position. This preference is available when the veteran cannot perform work in a federal civil service position, along the general lines of his or her usual occupation, as a result of the veterans' service-connected disability. Surviving spouses and mothers of U.S. veterans who died while on active duty during time of war or served at designated times are also eligible.

The United States and Three Other Countries Provide Survivors' Housing Benefits

Housing benefits for survivors of veterans are provided by the United States, Australia, Germany, and the United Kingdom. The United States provides a loan guaranty while Australia provides low interest loans, Germany provides a lump-sum payout of service-connected compensation, and the United Kingdom provides rent assistance.

The United States, Australia, and Germany Are the Only Countries That Provide Survivors Burial Benefits

All three countries pay for burial of certain dependents, although eligibility rules differ. In the United States, spouses and dependent children of living and deceased veterans—whether disabled or not—are eligible to be buried in a national cemetery. In Australia, widows and children of deceased veterans are eligible for a grant to help pay for funeral costs. However, in order for the dependents to be eligible for the grant, the Australian veteran generally must have been severely disabled from a service-connected disability or died from a war-related occurrence, and the dependent must be indigent. In Germany, funeral benefits are provided to (1) a widow who leaves a child who has rights to orphans' compensation or (2) other survivors who have a right to compensation.

Differences Among Countries in Relationship of Disability to Military Service

A key factor in establishing eligibility for major disability benefits is whether the veteran's disability is service-connected. Most foreign countries require that a disability be closely related to the performance of military duty to qualify for disability benefits; no such link is required in the United States. As a result of these differences in eligibility requirements, the United States provides benefits for some disabilities that other countries would not.

United States Defines Service-Connection More Broadly Than Other Countries

While all countries provide cash and other benefits to veterans with service-connected disabilities, the United States differs from other countries in what circumstances are considered service-connected. The definition of service-connection is important not only because it determines eligibility for cash compensation, but also because it can affect eligibility for, or amounts of, other types of benefits. In the United States, for example, only veterans with service-connected disabilities are eligible for vocational rehabilitation, and only veterans who have severe service-connected disabilities are eligible for home or automobile adaptation grants and certain education benefits for dependents. In addition, veterans with service-connected disabilities receive higher priority than other veterans for health care, and their survivors are entitled to greater burial benefits if the veteran's death was service-connected.

In the United States, a disease or injury resulting in disability is considered service-connected if it was incurred during a veteran's military tour of duty or, if incurred before the veteran entered service, was aggravated by service. No causal connection is required between the circumstances of the disability and official military duty. A disability resulting from the veteran's willful misconduct, however, is not considered service-connected under any circumstances.

In July 1989, we reported[1] on the U.S. practice of compensating veterans for conditions that had no relation to military service. We estimated that about 32 percent of the disabilities for which veterans were being compensated were probably neither caused nor aggravated by military service. These included several "ordinary diseases of life"—such as arteriosclerotic heart disease, diabetes, and chronic obstructive pulmonary disease—which had no relation to military service. We estimated that about $1.7 billion in compensation was paid for these types of disabling diseases in 1986. We suggested that the Congress reconsider

[1]VA Benefits: Law Allows Compensation for Disabilities Unrelated to Military Service (GAO/HRD-89-60, July 31, 1989).

whether veterans should be compensated for conditions they incurred while in military service but which probably were neither caused nor aggravated by that service. No action has been taken on that recommendation.

Except for Australia and some Canadian veterans, the service-connection definition differed from the United States' in the other countries we studied. Often the definition requires a link between the disability and events occurring while actively performing military duty. For example, United Kingdom veterans must have a disability that is directly connected to military duties; it is not sufficient for the disability to simply have occurred during the period of service. In Germany, there must be a causal relationship between military service and the event that results in a disability. For Canadian veterans other than active duty war veterans, the injury or disease or its aggravation resulting in a disability must arise out of or be directly connected to military duties. In Finland, an injury need not result directly from performance of military duties, but must occur in a place set aside for performing those duties or an adjoining area. The Finnish program also covered personnel for injuries incurred while on service-connected travel or travel to or from leave. Illnesses are covered if causally related to service.

Definitions of service-connection in Australia and for active duty Canadian war veterans are similar to that of the United States in that disabilities incurred during a service member's tour of duty, but not necessarily resulting from that service, are considered service-connected.

Hypothetical Cases Show United States Would Compensate for More Types of Disabilities

To further refine each country's definition of service-connection, we asked officials in each country to tell us whether they would compensate veterans for service-connected disabilities in 12 hypothetical cases. In general, the responses showed that other countries will compensate veterans for service-connected disabilities under many of the same circumstances that the United States will, but are less likely to do so where diseases were unrelated to military service, where the relationship of the disease to military service could not be established, or for off-duty injuries. Table 4.1 describes the hypothetical cases and shows whether each country would provide compensation for each case.

Table 4.1: How the United States and Five Other Countries Would Compensate Veterans for Disabilities in 12 Hypothetical Cases

Condition	Countries that would compensate for case					
	US	AUS	CAN[a]	FIN	GER	UK
Injury cases:						
Injury related to combat The veteran lost a leg in combat, resulting in loss of earning power and body wholeness.	Y	Y	Y	Y	Y	Y
Injury occurred while performing peacetime military task The veteran lost the use of an arm after falling out of a jeep during a peacetime training exercise. The injury was not due to any willful misconduct on the veteran's part.	Y	Y	Y	Y	Y[b]	Y
Precondition aggravated by military service The veteran hurt his back while playing sports in high school. This was listed on his record when he entered the military, but the preinduction physical showed no evidence of the injury. The veteran's military duties caused the back injury to worsen, resulting in the veteran's discharge.	Y	Y	Y	Y	Y	Y
Injury not related to military task; veteran was off duty The veteran was involved in an automobile accident while in the military service, but off duty on vacation. The veteran lost the use of both legs as a result of the accident (which involved no willful misconduct) and, as a result, was discharged.	Y	N[c]	N	N[d]	N	D
Injury occurred after separation The veteran, who had served during wartime and who is indigent, suffered no disability while serving in the military. Five years after separation from the military, he lost the use of both legs from back injuries resulting from falling off a ladder.	N	N	N	N	N	N
Injury not related to military task; occurred during normal duty hours The veteran injured his back while playing basketball during normal duty hours. This recreation was condoned and encouraged by the military during certain periods of the work day, and did not involve willful misconduct by the veteran. As a result of the injury, the soldier was discharged.	Y	Y	Y	Y	Y	Y
Disease cases:						
Disease related to military service While serving in combat in a tropical area, the veteran contracted malaria and consequently was discharged.	Y	Y	Y	Y	Y	Y
Mental disability related to performing military tasks The veteran suffered post-traumatic stress disorder while in the military after serving during hostilities. As a result of this mental condition, he was discharged and later showed impairment in obtaining and retaining employment.	Y	Y	Y	D	Y	Y
Relationship of disease to service could not be established The veteran had no apparent disability upon discharge from service, but suffered a hearing loss a few years later. No evidence was provided that the hearing loss occurred during or was aggravated by military service.	N	N	N	N	N	D
Disease unrelated to military service; manifests itself during service The veteran developed intestinal symptoms, including severe diarrhea and weight loss, while in military service. He had many episodes of diarrhea and abdominal pain both during and after military service, and underwent intestinal surgery. The illness was diagnosed as Crohn's disease.	Y	D	D	Y	D	D

(continued)

Condition	Countries that would compensate for case					
	US	AUS	CAN[a]	FIN	GER	UK
Disease cases:						
Disease unrelated to military service; manifests itself after service The veteran was discharged in apparent good health, but multiple sclerosis was diagnosed 5 years later. Consulting physicians believed that military service had no influence on the veteran's condition. Deterioration of leg muscles and balance was normal for the progress of the disease.	Y	N	N	N	D	D
Disease related to military service The veteran suffered anxiety disorder during basic training and received a medical discharge because of this condition. The veteran was impaired in work and social abilities.	Y	Y	Y	D	D	Y

Legend
Y = Yes
N = No
D = Depends on other circumstances involved

[a]Canadian responses are for peacetime veterans. War veterans' disabilities are covered as in the United States.

[b]Although officials told us Germany would compensate for this case, the actual compensation would be made under Germany's program that serves the general population and not as special veterans benefits.

[c]Australia would most likely pay compensation if this event occurred during wartime.

[d]Under recent legislation, Finland would pay compensation in this case if the disability occurred on or after January 1, 1991. At the time of our field work, no veteran had received compensation under the new legislation, and under prior law, no compensation would have been paid.

The United States and all countries would pay compensation for injuries that occurred in combat, peacetime training, or sports activities during duty hours; injuries aggravated by service; or diseases contracted in a combat zone. Neither the United States nor any of the other countries would pay compensation for an injury that occurred after separation and was unconnected to military duties.

United States Programs for Disabled Veterans, Their Survivors, and Dependents During 1990

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures
Compensation for service-connected disabilities	Department of Veterans Affairs		
Veterans		2.2 million	$9.3 billion
Survivors		320,000	2.3 billion

Objectives	Basis for eligibility	Type or range of benefits
To compensate veterans for the average loss or reduction of earning capacity as a result of service-connected disabilities.	Disability must have occurred during or been aggravated by military service, but need not have resulted from service.	Payment amounts are based on (1) degree of disability, (2) legal provisions relative to such conditions as loss of limbs, need for skilled care, or need for the aid and attendance of another person, and (3) number of dependents. Degree of disability is measured in increments of 10 ranging from 0 to 100 percent, based on a rating schedule. Payments ranged from $76 to $1,537 a month. Those with disabilities rated less than 10 percent receive no monthly compensation but are eligible for health care. Payments based on legal provisions relative to special conditions ranged from $67 to $4,392 a month. Veterans with disabilities rated 30 percent or higher also receive an additional allowance for dependents depending on degree of disability.
To provide compensation to the spouses and dependents of veterans who died as a result of military service or from service-connected disabilities (Dependency and Indemnity Compensation program). In some cases, the spouses of veterans who were totally and permanently disabled receive compensation, even if the veterans' deaths are not from service-connected disabilities.	Surviving spouses, dependent children or parents are eligible if the veteran (1) died from a disease or injury incurred or aggravated in line of duty or (2) was totally disabled from service-connected disability but did not die from that disability. In the latter instance, the veteran must have been totally disabled for at least 10 years immediately preceding death or continuously since separation from the military for a period of at least 5 years.	Payments based on the veteran's military pay grade ranged from $564 to $1,446 a month for a surviving spouse plus $65 a month for each child. Children establishing entitlement in their own right received smaller amounts than surviving spouses. Spouses received an additional $83 a month if permanently housebound or $169 a month if residing in a nursing home or requiring the regular aid and attendance of another person. Surviving spouses who began receiving payments as of January 1, 1993, received $750 a month with additions of (1) $165 a month if the veteran was rated totally and permanently disabled for at least 8 years before death and been married for the same period and (2) $100 for each dependent child. Those who began receiving compensation before January 1, 1993, are paid at the higher of the new or old rates.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures
Compensation based on need (called the Pension Program)	Department of Veterans Affairs		
Veterans		571,000	$2.6 billion
Survivors		534,000	1.3 billion
Military disability retirement	Military services		
Veterans		134,000	1.5 billion
Survivors		Not available.	Not available.

Objectives	Basis for eligibility	Type or range of benefits
To provide monthly income to needy permanently and totally disabled veterans who served in time of war.	Veterans are eligible if they are permanently and totally disabled (that is, unemployable as a result of disability reasonably certain to continue throughout the life of the disabled person), served during wartime, are needy, and their disability generally is not service-connected.	Generally, the maximum allowable payment for a veteran without dependents ranged from $564 to $902 a month. Veterans with dependents received higher amounts. Allowed payments were reduced by income, dollar for dollar.
To provide monthly income to the needy survivors of these veterans (Death Pension).	Needy spouses and dependent children of war veterans are eligible.	Allowable payments for surviving spouses without dependents ranged from $378 to $605 a month, reduced by income. Additional amounts were available for spouses with dependents, in need of aid or attendance, or housebound. Children received up to $1,150 a year, depending on income.
To enable military personnel who become physically unfit to perform their military duties to retire from service.	The veteran's disability must be permanent and not the result of willful neglect, misconduct, or absence without authorized leave. All members with 20 years of service qualify. Those with less than 20 years can qualify if (1) the disability is rated at least 30 percent and (2) they have either 8 years of service, a disability resulting from active duty, or a disability occurring in line of duty during time of war, national emergency, or after September 14, 1978.	Veterans receive an annuity paid monthly. Payments are based on military pay combined with either length of service or degree of disability and are limited to 75 percent of active-duty base military pay.
To compensate the survivors of these veterans (Survivor Benefit Plan).	If retirees elect survivors' coverage (and pay the premiums), spouses are eligible for benefits, as are dependent children and orphans.	Survivors receive an annuity paid monthly. Payments to surviving spouses initially are 55 percent of the retiree's benefit, reduced to 35 percent after the spouse reaches age 62. Orphans up to age 18, or age 22 if students, receive equal shares of 55 percent of the retiree's benefit.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures
Health care	Department of Veterans Affairs		
Veterans		1.1 million inpatients 22.6 million outpatient visits	$11.5 billion
Survivors and dependents		Average 240 inpatients a day and 302,000 outpatient visits during the year.	90.5 million
Education	Department of Veterans Affairs		
Veterans		Current program	Current program
		75,333 veterans	163 million
		102,233 reservists	86 million
		26,479 servicepersons	20 million
		Prior programs	Prior programs
		130,750 veterans	202 million
		26,345 servicepersons	18 million

Objectives	Basis for eligibility	Type or range of benefits
To provide medical services to veterans.	Veterans with service-connected disabilities are entitled to health care. Veterans with nonservice-connected disabilities are entitled to hospital care if their income is below a certain amount. Otherwise, veterans may receive hospital and nursing home care if space is available, but must pay an amount equal to a similar deductible under Medicare and a daily charge. Eligibility for other types of care differs by type of care, on the basis of considerations such as service-connection, degree of disability, need, and length of time separated from military service.	Veterans may receive hospitalization, outpatient services, nursing home care, surgical and dental services, optometric and podiatric services, and prosthetic devices. Facilities include 172 VA hospitals (171 as of 1992), nursing homes, domiciliaries, and outpatient clinics. Also VA-contracted care at state home facilities and with private physicians.
To provide medical services to dependents and survivors of certain disabled veterans.	Survivors and dependents of certain disabled veterans can receive health care. These are the spouse or child of a veteran (1) with a permanent total service-connected disability, (2) who had such a disability at the time of death or died from a service-connected disability, or (3) died in active service in the line of duty.	Survivors and dependents can receive medical services and supplies from civilian sources—generally not at VA facilities.
To assist education and training of veterans.	All veterans, including disabled veterans, are eligible for education benefits. For service beginning through December 31, 1976, no contributions were required for a veteran to receive educational benefits. For service beginning after December 31, 1976, to July 1, 1985, veterans must have (1) elected to participate in the program and (2) made contributions toward their education while in the military. Beginning July 1, 1985, veterans' base pay was reduced by $100 for each of the first 12 months of service unless the veteran, at the time of induction, elected not to participate in the education program.	Veterans and reservists entering active duty after June 30, 1985, can receive cash for 36 months of full-time training. Training may include college study, technical school study, apprenticeship, on-the-job training, or correspondence courses. If the veteran served on active duty for 3 years (or 2 years active-duty plus 4 years in the reserves or National Guard), the veteran receives $350[a] a month for up to 36 months. A veteran who enlists for less than 3 years would receive $275[a] a month. Some prior programs are still applicable for certain veterans.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures
Education (continued)	Department of Veterans Affairs		
Survivors and Dependents		42,061	$106 million
Job Assistance			
Vocational rehabilitation	Department of Veterans Affairs	27,800	136 million
Disabled Veterans Outreach Program	Department of Labor	801,000 applicants[b]	73.4 million
Local Veterans Employment Representatives		636,000	68.5 million
Job Training Partnership Act		4,728 (goal)	6.8 million
Homeless Veterans Reintegration Program		6,600	1.8 million
Transition Assistance Program	Departments of Defense, Labor, and Veterans Affairs	Not available for 1990; 22,000 in 1991.	Not available for 1990; $4.2 million in 1991.
Preference for civil service employment	Office of Personnel Management	Not available.	Not available.

Objectives	Basis for eligibility	Type or range of benefits
To assist education and training of survivors and dependents of certain veterans.	Eligible are spouses and children of certain deceased or disabled veterans or veterans missing in action, captured, or detained in line of duty by a foreign government. Surviving spouses' eligibility extends for 10 years from the date that the VA determines the spouse is eligible. Children aged 18 to 26 are eligible.	Dependents can receive up to $404 a month for up to 45 months of full-time education or training directed toward a definite educational or vocational goal approved by VA. The same training opportunities are available to dependents as are available to veterans except that correspondence courses are available to spouses only (not children).
To assist veterans, and in some cases their spouses or mothers, in obtaining and maintaining employment.		
	The veteran must have (1) a service-connected disability rated 20 percent or more and (2) an employment handicap. Effective October 1, 1993, veterans with a 10-percent disability are eligible if they have a serious employment handicap.	The veteran receives a subsistence allowance of $84 to $333 a month. Veterans with dependents receive additional amounts. VA pays for the cost of school supplies, books, tuition, and other services and equipment. College; trade, business, or technical school; on-the-job or apprentice training; and farm training may be funded.
	Veterans	Veterans receive job search training and assistance from specialists who provide, among other things, vocational guidance or counseling services.
	Veterans	Veterans who participate in VA's vocational rehabilitation program and other veterans receive job search training and assistance.
	Veterans	States and others provide classroom training, on-the-job training, career assessment, testing, counseling, and job placement as well as job search and job referral and placement.
	Homeless veterans	Veterans may be referred to counseling, basic skills and job search training, housing, and other services.
	Separating servicepersons and their spouses.	Military personnel and spouses receive job search training and assistance, counseling, and assessment.
	Veterans or in some cases spouses and mothers.	Veterans and certain spouses and mothers receive preference for hiring in federal civil service employment.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures
Housing	Department of Veterans Affairs		
All veterans		196,166 home loan guarantees	$15.8 billion in home loan guarantees 548 million expenditures in fiscal year 1990
Certain disabled veterans		4,900 policy holders	165 million coverage
		383	12.6 million
		60	350,000
Burial benefits	Department of Veterans Affairs	8,000	10.2 million
		108,500	42.7 million

Objectives	Basis for eligibility	Type or range of benefits
To assist veterans or surviving spouses to acquire, build, repair, or refinance a home.	All veterans, including disabled veterans and certain unmarried surviving spouses.	Eligible recipients receive loan guarantees on home mortgages. Home loans are guaranteed for 50 percent of amounts up to $45,000, the greater of $22,500 or 40 percent of loans over $45,000 up to $144,000, and 25 percent of loans over $144,000 with a maximum guarantee of $46,000.
To aid certain veterans in acquiring adaptations to a veteran's residence or acquiring a residence already adapted.	Disabled veterans qualify for home adaptation grants and mortgage life insurance to cover those grants if they are permanently and totally disabled, such as with loss of both lower limbs; blind and loss of one lower limb; or blind in both eyes or loss of use of both hands.	Mortgage life insurance is available to cover the costs of home adaptations up to $40,000 ($90,000 as of December 1, 1992). Premiums are to be paid by the veteran, either directly or as a deduction from VA benefit payments. Home adaptation grants are available: Up to one-half the cost up to $38,000 to build, buy or remodel, or pay indebtedness on an acquired home with adaptations. Up to $6,500 to adapt existing housing for veterans who are blind or have lost both hands.
To assist with burial expenses for certain veterans. To provide burial in a VA national cemetery for veterans, spouses, and certain children.	Veteran must die as a result of a service-connected disability or have been entitled to receive VA compensation or pension payments at the time of death or must have been hospitalized or domiciled in a VA facility or other facility at VA expense. Generally, all veterans, spouses, and dependent children are eligible for burial in 1 of 113 national cemeteries.	Up to $1,500 burial allowance is paid for a veteran if the death was service-connected. $300 funeral and burial allowance is paid for veterans who had received compensation for service-connected disabilities or based on need, but whose death was not service-connected.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures
Burial (continued)		316,400	$48.9 million
		347,000	10.5 million
		332,600	23.9 million
		57,000	4.8 million
		29,000	3.2 million
Life insurance	Department of Veterans Affairs		
All veterans		Total of 6.5 million policies in force for veterans and servicepersons.	211 billion in face value.
Disabled veterans		162,000 policies in force.	1.4 billion in face value.

Objectives	Basis for eligibility	Type or range of benefits
		$150 plot or interment allowance is paid for veterans receiving the $300 allowance described above.
		Generally, burial flags are provided to drape the casket of a veteran.
		Headstones/gravemarkers are provided for all veterans or family members buried in national cemeteries or upon request for veterans buried in other cemeteries.
		Headstone allowances are provided for veterans not buried in national cemeteries (this provision was terminated in November 1990).
		Burials in national cemeteries are provided for veterans and their spouses and dependent children.
To provide life insurance coverage to armed forces members. This coverage may be converted to 5-year nonrenewable term life insurance upon separation from military service.	All members can elect coverage at their own expense and conversion after discharge.	Up to $100,000[c] group term life insurance was available for service members, and nonrenewable 5-year term insurance was available for veterans.
Supplementary coverage is available to disabled veterans. Mortgage life insurance is available to severely disabled veterans (see p. 49).	Veterans under age 65 with service-connected disabilities pay life insurance premiums at standard rates for supplementary coverage.	Up to $10,000[d] regular supplementary coverage is available.

[a]After April 1, 1993, veterans who enlist for 3 years or more receive $400 a month; those who enlist for less than 3 years receive $325 a month.

[b]Program year 1990 (July 1, 1989, to June 30, 1990).

[c]As of December 1, 1992, veterans could purchase up to $200,000 of renewable 5-year term insurance. Service members could purchase the same amount of group term insurance.

[d]$20,000 of additional coverage as of December 1, 1992, provided the veteran is under age 65 and applies for it within a certain time.

Australian Programs for Disabled Veterans, Their Survivors, and Dependents During 1990

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Compensation for service-connected disabilities	Repatriation Commission and Department of Veterans' Affairs		
Veterans		161,500	$449 million
Survivors		193,000	428 million
Compensation based on need	Repatriation Commission through the Department of Veterans' Affairs		
Veterans		223,000	$926 million

Objectives	Basis for eligibility	Type or range of benefits
To compensate veterans for injury or disease incurred in war or defense service, on the basis of the degree to which the disability causes a physical or mental impairment and restricts the veteran's lifestyle.	A veteran's disability must occur during or be aggravated by service.	There are four rates of disability compensation, as follows: general rate—Disabilities measured in percentage terms from 10 to 100 in 10-percent increments intermediate rate—Veteran suffers a loss of income that would not have occured except for the disability special rate—Same criteria as for the intermediate rate, but greater disability extreme disablement—Veteran aged 65 or over with a degree of incapacity greater than that of veterans at the 100 percent general rate. Payments ranged from $14 to $141 biweekly on the general rate, and as high as $373 biweekly on the special rate.
To compensate survivors of these veterans.	Widows or widowers of veterans on the special or extreme disablement rate are automatically eligible. If the veteran was on the general or intermediate rate, the death must be service-related.	Surviving spouses receive $220 biweekly. Orphans receive lower amounts, at one rate for an orphan who has lost one parent and another rate for orphans who have lost both parents.
To provide income support for needy veterans for premature aging and loss of earning power and to allow these veterans a standard of living at least equal to that provided by other government income support programs.	To be eligible, veterans must have served in war and be aged 60 (male); 55 (female) or permanently incapacitated for work. They must be needy. Wives and carers (relatives who provide constant care to a veteran in the home) also may receive compensation.	Payments are a maximum of $203 biweekly for a single veteran and $339 biweekly for a married veteran. Income and assets can reduce compensation payments. Annual income exceeding $1,496 for a single veteran or $1,309 for a married veteran reduces the maximum compensation. Compensation is reduced $1 for $2 of income.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Compensation based on need (continued)			
Survivors and dependents		163,000 wives and widows	$615 million
Military disability retirement	Retirement Benefits Office		
Veterans		3,066	30 million
Survivors		Not available.	Not available.
Health care	Repatriation Commission Department of Veterans' Affairs		
Veterans		87,000 Repatriation Commission hospital admissions, 1.3 million domiciliary nursing services, 1 million nursing home services, 700,000 services in hospitals, and nearly 6 million consultations and services from local medical officers and medical and dental specialists.	726.1 million for veterans, survivors, and dependents

Objectives	Basis for eligibility	Type or range of benefits
To compensate wives and other persons who cared for these veterans.	Spouses and surviving spouses are eligible.	Surviving spouses receive half of the annuity the couple received when the veteran was alive. Payments to spouses are included in the benefit amounts above. Additional amounts are paid for dependent children of veterans.
To compensate military personnel who are medically discharged.	The veterans must be unable to perform their military duties and thus have to retire early. Servicepersons on full-time continuous duty for not less than 1 year contribute 5.5 percent of their pay toward retirement.	Payment amounts depend on degree of disability to perform civilian work and military pay before retirement. Class A: 60 percent or more disabled—76.5 percent of military pay. Class B: 30 percent to less than 60 percent disabled—38.25 percent of military pay. Class C: less than 30 percent disabled—refund of contributions plus lump sum of half contributions if the veteran has not served the minimum time (15 years) for regular retirement. If regular retirement based on length of service would be greater, the veteran in Class B or C receives it. Class A and B compensation is indexed.
To compensate survivors of these retirees.	Spouses, dependent children, and orphans of military disability retirees are eligible.	Surviving spouses receive five-eighths of veteran's annuity, with lesser amounts for dependent children and orphans.
To provide quality cost- effective health care services to veterans.	The following veterans, among others, are eligible: Veterans with war-caused injury or disease. Veterans who receive compensation at or above the 100 percent general rate. Veterans who receive compensation at or above 50 percent of the general rate and receiving compensation on the basis of need. Veterans who are receiving compensation on the basis of need and who are blind or meet an income or asset test. Vietnam veterans in need of urgent treatment.	Australia provides inpatient and/or outpatient services at 21 facilities operated by the Repatriation Commission, including six general hospitals, three auxiliary hospitals, 11 artificial limb and appliance centers, and one nursing home. Also, Australia pays for inpatient and/or outpatient services, including (1) treatment at public or private hospitals; (2) most medical and dental services; (3) optometrical treatment; (4) dental prosthetics; (5) domiciliary nursing, rehabilitation appliances, and convalesent care; and (6) treatment at nursing homes.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Health care (continued)			
Survivors and dependents:		Included above.	Included above.
Education	Repatriation Commission through State Veterans Children Education Boards		
Veterans			
Survivors		2,187	$3.1 million
Job assistance[b]	No program		
Housing	Department of Veterans' Affairs		
Veterans		Interest Subsidy: 129,600 home loans as of June 30, 1990; 9,000 new homes in 1990.	119 million in subsidies during 1990.
		Home Insurance: 173,600 homes insured as of June 30, 1990.	9.7 million in claims during 1990.
Survivors		Not available for 1990; 274 in 1989.	Not available for 1990; 112,000 in 1989.

Objectives	Basis for eligibility	Type or range of benefits
To provide quality cost-effective health care services to certain dependents.	Eligible survivors include war or defense widows and their dependent children, the child of a deceased veteran who had war service if the child is not being cared for by the remaining parent, and dependents of Vietnam veterans in need of urgent treatment.	Surviviors and dependents may receive health care in Repatriation Commission, federal, or state hospitals, or other facilities where the Commission has arranged care.
Not applicable.	Not eligible.	
To provide support services and financial assistance to children of deceased, blind, or totally and permanently incapacitated veterans, veterans receiving an extreme disablement adjustment, or prisoners of war.	A veteran's death or incapacity must be service-connected. Children only can qualify for educational assistance, and they must be under 25 years of age when applying for assistance. Benefits extend only to the first college degree or technical certificate. There is no time limit for receiving benefits other than the age criteria.	Cash assistance is provided for grades 1 through 6, secondary, or college-level study or technical training. Elementary education assistance is $72 a year. Students under age 16 receive an allowance of $14 to $151 every 2 weeks. Those aged 18 or over receive $99 to $180 every 2 weeks. The assistance can cover fees, tuition, textbooks, and living expenses. Assistance is reduced by any personal income over $3,595 a year for students aged 16 years or more.
To provide assistance to veterans in buying, building, or renovating a home in which they will live.	Veterans are eligible if they served in World Wars I or II, or subsequent warlike activities, or served at least 3 years after December 7, 1972, extended to 6 years in 1978.	Veterans may receive a home loan interest subsidy of all interest greater than 6.85 percent on the first $17,975. Home insurance covers up to $143,800 of home value with premiums paid by the homeowner.
To provide such assistance to certain survivors.	Widows or widowers of these veterans are eligible.	Eligible survivors may receive housing loans at 3.75-percent interest to help retain or maintain an existing home, reduce monthly loan installments, or pay for repairs.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Burial benefits	Repatriation Commission Department of Veterans' Affairs	9,000 recipients (does not include an unknown number of veterans who had received compensation on the basis of need or their survivors).	$3.8 million for all veterans and dependents.
Life insurance	No program		

Objectives	Basis for eligibility	Type or range of benefits
To assist in paying funeral expenses for certain veterans or dependents.	The following are eligible for burial benefits:	
	Veterans or dependents of deceased veterans who had received compensation for service-connected disabilities at the special rate or as amputees; veterans whose deaths were war-caused and who died indigent or died in an institution to which they were admitted with Repatriation Commission approval; and indigent widows and children of deceased veterans whose deaths were war-caused and who had severe disabilities.	Up to $395 is paid for funeral expenses plus reasonable costs for transporting the body from place of death to the veteran's ordinary residence for all recipients except veterans who had received compensation on the basis of need or their survivors. Veterans whose death was attributed to war service receive a commemorative plaque marking their graves.

[a]Expenditures and benefit amounts are expressed in U.S. dollars. Other countries' currencies are converted to U.S. dollars using 1990 benchmark purchasing power parities.

[b]Australia operates a program to return injured federal government workers—including disabled veterans—to the same employer with the same duties, and if this is not possible, to find the employee work with an employer that is suitable to the employee, given the restriction on the employee due to the disability.

Canadian Programs for Disabled Veterans, Their Survivors, and Dependents During 1990

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Compensation for service-connected disabilities	Department of Veterans Affairs		
Veterans	Canadian Pension Commission (adjudication)	95,000	$479.5 million
	Bureau of Pension Advocates (veterans' legal counseling)		
Survivors		50,000	205.6 million
Compensation based on need	Department of Veterans Affairs		
Veterans		29,000	132 million

Objectives	Basis for eligibility	Type or range of benefits
To compensate veterans for disabilities arising from military service. Disability must cause loss of body wholeness or working capacity, as measured by a medical examination in accordance with a table of disabilities.	The disability must be service-connected. For war veterans, this means that the disability must have occurred during, but not necessarily as a result of, the veteran's military duties. For other veterans, this means that the disability must arise out of or be directly connected to military duty.	Payment is based on degree of disability in increments of 1 percent from 1 to 100 percent. Payment for disabilities rated between 5 and 100 percent is based on 1 of 20 payment categories determined by dividing the percentage of disability by five. Lump sums are given instead of monthly payments for disabilities of 1 to 4 percent. Payments ranged from $54 to $1,076 a month for a single veteran, $67 to $1,345 for a married veteran with no children. These amounts are increased for children. Lump sums ranged from $347 to $1,389.
To compensate survivors of these veterans.	Compensation is available to surviving spouses, children, and dependent parents of veterans who received compensation for service-connected disabilities rated at least 5 percent.	If the veteran's disability was at least 48 percent or the veteran's death was service-connected, a surviving spouse received 75 percent of what would be paid to a 100-percent disabled single veteran—a flat $807 a month. If the veteran's disability was less than 48 percent and the death was nonservice-connected, a surviving spouse received 50 percent of what the veteran was receiving before death (ranged from $34 to $302 a month, depending on the veteran's degree of disability before death). Orphans and dependent parents received smaller amounts.
To compensate needy war veterans who are either aged or disabled.	The veteran must have served during war, be aged or incapacitated, and be needy. To be aged, males must be 60 years old (females, 55). Veterans under these ages may qualify if they are needy and unable to work because of the disability or the need to care for a child.	Payments are up to $620 a month for a single nonblind veteran, up to $967 a month for a married blind veteran. A married veteran can earn up to $3,205 a year and receive up to $107 in interest income without reduction of benefits. Compensation is subject to a means test (compensation is reduced by income).

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Compensation based on need (continued)			
Survivors		24,000	$ 56.6 million
Military disability retirement	Department of National Defense		
Veterans		5,500[b]	28.3 million[b]
Survivors		12,000[c]	47.7 million[c]
Health care	Department of Veterans Affairs	224,000	322 million
Education	Department of Veterans Affairs		
Veterans			

Objectives	Basis for eligibility	Type or range of benefits
To compensate survivors of these veterans.	Surviving spouses must satisfy the same age and need criteria as a veteran of the same sex, except as noted below. To receive benefits at an earlier age, a surviving spouse must (1) be incapacitated or (2) care for a dependent child. Spouses receive an additional amount for dependents. Orphans also may receive benefits.	A surviving spouse received up to $620 a month. Orphans received smaller amounts.
To provide income support for members of the armed forces who retire from military duty because of disabilities incurred while in military service.	Veterans must have contributed to the retirement plan while a member of the armed forces and retired from military duty because of disabilities incurred while on military duty.	The monthly annuity amount depends on length of service and military pay over the 6 years when that pay was highest (2 percent of pay times years of service), but not on degree of disability. Members released with less than 10 years of service receive a lump sum rather than an annuity.
To provide income support for survivors of these veterans.	Spouse, dependent child, or orphan of veteran who received or was eligible to receive military disability retirement at the time of death.	Surviving spouses received a monthly annuity equal to 50 percent of the monthly annuity amount paid to veteran. Lesser amounts were granted to children and orphans.
To pay for the health care of certain veterans, and in some instances to provide that care.	Health care is available to veterans receiving benefits for service-connected disabilities. Other veterans may receive care that is not covered under the health plan of the province if they are receiving needs-based compensation or are participating in the Veterans Independence Program, a home health care program. Survivors and dependents are not eligible for special veterans health services.	The Department of Veterans Affairs operated one hospital and two nursing homes. Care also was provided by the general health system, without Department of Veterans Affairs reimbursement except for care for veterans receiving treatment for service-connected disabilities. Home health care also was available. Health care includes outpatient care, nursing, ambulance services, drugs, dental services, prosthetics, hospital care, and long-term care.
Not applicable.	Not eligible.	

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Education (continued)			
Survivors		340	$494,000
Job assistance	Department of Veterans Affairs	38	162,000
Housing	Department of Veterans Affairs	Not available.	Not available.
	Canada Mortgage and Housing Corporation	About 1,100 veterans and/or their families.	Not available.
Burial benefits	Canadian Pension Commission	1,100 burials	2.0 million
	Department of Veterans Affairs	2,230 burials and funerals 1,732 gravemarkers	3.7 million
	Last Post Fund	3,415 burials 2,000 gravemarkers	5.9 million

Objectives	Basis for eligibility	Type or range of benefits
To provide cash assistance for the higher education of the children of certain deceased veterans.	Children of deceased veterans with at least a 48-percent disability rating are eligible. Children must be less than 30 years old and must begin a course of instruction at a university, college, or other school of higher education within 15 months of high school graduation.	Up to $1,145 a year for tuition and fees is available for college, university, or other higher education studies. Also available is a living allowance of $96 a month for students under age 21 and $375 a month for students aged 21 to 30. Cash assistance is limited to the lesser of 4 academic years or 36 school months.
To finance retraining of veterans receiving compensation for service-connected disabilities.	Veterans who receive compensation for service-connected disabilities are eligible.	Cash is provided for vocational, community college, or university training, and living expenses. Veterans with no dependents receive an average of $443 a month in living expenses plus $610 a year for tuition, books, and related fees. Additional amounts are received for dependents.
To adapt homes for certain disabled veterans (component of the Veterans Independence Program (See p. 63.)	To qualify for home adaptations, the veteran must participate in the Veterans Independence Program.	Home adaptation assistance
To give priority to veterans or families of veterans in obtaining certain rental housing.	All veterans qualify for rental housing at 12 veterans housing projects. These are also open to the general population, but veterans and their families are given priority.	Priority for moderately priced rental housing
To pay all or part of the costs of the last illness and burial of certain veterans.	The veteran must have suffered a service-connected disability.	The Commission, at its discretion, may direct that unpaid veterans benefits be used to pay for all or part of the veteran's burial costs.
To pay burial and funeral expenses for certain veterans, and to provide gravemarkers.	The veteran must have received benefits for a service-connected disability or have died while receiving medical treatment for a service-connected disability (when the Canadian Pension Commission rules that the death is related to military service). In either case, the estate must be small. Veterans who received needs-based compensation also may qualify in some circumstances.	Up to $2,243 is provided for each funeral plus burial costs, which are not subject to a maximum.
To provide funerals, burials, and gravemarkers for veterans who are without means to provide these services.	The veteran must have died destitute.	Pay an amount toward the services of a funeral director, the cost of a cemetery plot, opening and closing grave, maintenance, and a gravemarker.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Life insurance	Service Insurance Board of Trustees	4,037 veterans 2,760 spouses	$284 million (face value) 66 million
Disability insurance	Service Insurance Board of Trustees	285 claimants	2.83 million

Objectives	Basis for eligibility	Type or range of benefits
To offer term life insurance for active-duty military personnel and veterans (lump sum or an option for a long-term annuity)	Life insurance is available to active-duty personnel or veterans, or their spouses.	Insurance amounts are available up to 50 times basic pay to a maximum of $228,900. The veteran can convert insurance to postrelease coverage for self and/or spouse without evidence of insurability, within 60 days after the member's release from the military. Coverage ends following the veteran's 65th birthday. The veteran may accept a paid-up policy at 10 percent of the face value of the term policy or convert to individual coverage. Premiums are paid by the insured, but are waived for totally disabled veterans under 65 years of age.
To offer disability insurance for active-duty personnel	Available for active-duty personnel released from military service because they are totally disabled.	Veterans receive a monthly annuity of 75 percent of the salary the disabled veteran would have earned, assuming they remained in service at the same rank as when they became disabled. The annuity is reduced by any military disability retirement, pension, or part of any earned income. Premiums are 0.4 percent of basic monthly military pay—0.3 percent paid by the government and 0.1 percent by the insured.

[a]Expenditures and benefit amounts are expressed in U.S. dollars. Other countries' currencies are converted to U.S. dollars using 1990 benchmark purchasing power parities.

[b]As of December 31, 1987; more recent data are not available.

[c]As of December 31, 1987, and includes survivors of both disabled and nondisabled veterans.

Finnish Programs for Disabled Veterans, Their Survivors, and Dependents During 1990

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Compensation for service-connected disabilities	State Accident Office		
Veterans		43,500	$126 million
Survivors		21,500	73 million (includes educational benefits discussed below)
Compensation based on need	State Accident Office		
Veterans		9,500 to 10,000 estimated	28.1 million
Survivors		2,300 annuities 500 lump sums	5.1 million 2.1 million
Military disability retirement	No program		

Objectives	Basis for eligibility	Type or range of benefits
To compensate veterans for the effects of disabilities on their ability to work.	Disabilities are covered only if service-connected. Injuries must occur at a place designated for carrying out duties, an adjoining area, or during service-connected travel or travel to or from leave. Illnesses must be causally related to service.	Payments to veterans ranged from $45 to $915 a month, depending on degree of disability, age, and family size. Degree of disability is expressed as a percentage from 10 to 100 percent in 5-percent increments. The amount of compensation is increased by 30 percent for the first dependent and 20 percent for each additional dependent up to four family members. The compensation amount also is increased for veterans aged 56 to 65.
To compensate survivors of these veterans.	Survivor benefits are available to the widows, children, orphans, and other relatives of the veteran.	The amount of compensation depends on the veteran's degree of disability (must be at least 30 percent), whether the death is service-connected or nonservice-connected, and relationship to the veteran. Payments ranged from $64 a month for a child of a veteran with a 30 to 45 percent disability to $376 a month for a widow of a veteran with more than a 75-percent disability.
To provide income support for needy veterans with service-connected disabilities.	Veterans must have at least a 20-percent service-connected disability and low income.	$36 to $428 a month
To provide income support for the surviving spouse, orphans, and parents of these veterans.	Survivors of veterans who had at least a 10-percent service-connected disability and who have low income.	Survivors of veterans with at least a 30-percent disability received $27 to $330 a month. If the disability was 10 to 25 percent, spouses received a lump sum of $4,107 ($4,518 in big towns) and children, $2,310 ($2,541 in big towns).

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Health care	State Accident Office	35,000 veterans received reimbursement for medical costs other than rehabilitation services. 37,000 veterans received medical rehabilitation services.	$82 million
Education	State Accident Office		
Veterans			
Children		300	Included in compensation for service-connected disablities.
Job assistance	No program[b]		
Housing	State Accident Office	450	1.1 million
Burial benefits	State Accident Office	1,700	2.2 million
Life insurance	No Program[c]		

Objectives	Basis for eligibility	Type or range of benefits
To provide medical treatment to veterans receiving compensation for service-connected disabilities or compensate them for the cost of medical treatment.	Medical services must be for service-connected disabilities. Care is provided by general health system facilities or at certain facilities set aside for veterans.	The kinds of care provided depends on degree of disability. Veterans with at least 10-percent disability receive an annual medical checkup, any needed special tests, and outpatient or institutional rehabilitation. With at least a 30-percent disability, veterans receive such services as municipal health and social services, nursing care at home, physical rehabilitation, prostheses, and travel. The patient pays first $18 a day for medical costs not related to service-connected disability. This can be reimbursed as an allowance to the basic compensation up to a ceiling. A few hospitals, rehabilitation centers, and nursing homes operate for veterans largely at government expense.
Not applicable.	Not eligible.	
To help educate children of disabled or deceased veterans.	Children must be aged 17 to 23, unable to work because of studying, and must have insufficient other income to cover educational expenses for college or vocational school.	Assistance pays for college or vocational studies. An addition to service-connected compensation for dependents ordinarily ends when a child reaches age 17. However, the additional compensation is continued if the child is a student.
To finance home adaptations for disabled veterans.	Veterans must have at least a 30-percent service-connected disability.	Home adaptations include widening doors; removing doorsills; installing ramps, railings, and support bars; changing plumbing; and the location of electric light switches and outlets.
To assist in paying the burial costs of certain veterans who received benefits for service-connected disabilities and died from those disabilities.	Veterans who received benefits for service-connected disabilities of at least 20 percent or who died from service-connected disabilities are eligible.	Up to $1,283 in burial costs can be paid. Required accounting for the grant depends on who receives it. If the grant is paid to a close relative, the relative receives the maximum amount. If the grant is paid to a person outside the family, the grant covers actual expenses, up to the maximum. The grant can cover actual costs of memorial services, transport of the deceased, coffin, flowers, headstone, and fees to the parish or parish priest.

[a]Expenditures and benefit amounts are expressed in U.S. dollars. Other countries' currencies are converted to U.S. dollars using 1990 benchmark purchasing power parities.

[b]Vocational rehabilitation services are offered to veterans for injuries incurred beginning in 1991, under legislation that parallels that covering on-the-job injuries for all employees.

[c]Finland, however, sponsors life insurance for all employees—including military personnel—financed by premiums paid by the employer and employee. This insurance covers the employee while employed and for 3 years following employment unless the employee became disabled, in which case the insurance coverage remains in force for 5 years. The insurance amount falls gradually after an employee becomes 50 years old and is discontinued at pension age (65 years).

German Programs for Disabled Veterans,[a] Their Survivors, and Dependents During 1990

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[b]
Compensation for service-connected disabilities	Ministry for Labor and Social Welfare		
Veterans		Not available.	Not available.
Survivors		Not available.	Not available.

Objectives	Basis for eligibility	Type or range of benefits
To compensate disabled veterans for (1) additional living expenses resulting from a service-connected disability, (2) impairment of bodily integrity, and (3) financial losses from activities other than the primary job due to the disability. War victims also may receive similar compensation.	There must be a causal link between service and the event that results in the disability. In some cases, when certain health problems have an unknown cause, the Ministry has universally recognized them as service-connected.	Payments depend on the degree of disability, which is expressed as a percentage reduction in earning capacity ranging from 30 to 100 percent in 10-percent increments. Payments ranged from $87 to $457 a month. Additional amounts are available (1) for those at least 65 years of age and 50 percent or more disabled, (2) as a supplemental allowance for the especially severely disabled, and/or (3) if the services of a personal attendant are needed. Additional allowances are available if the recipient is blind and uses a seeing-eye dog or other guide, and/or to compensate for wear and tear on clothing, if needed.
To compensate survivors of these individuals.	Benefits are available to widows, orphans, and parents who cannot adequately support themselves. Veteran's death need not result from service-connected disabilities for the widow to get benefits.	Benefits include basic compensation and compensation for (1) lost earning capacity and (2) nursing the veteran over an extended period of time. A widow's basic compensation was $271 a month. Orphan's pensions were $77 a month if one parent was still living and $144 a month if both were dead. In addition, widows may receive compensation if they nursed a disabled person in need of a personal attendant for at least 20 years. Partial widow's compensation is available in some cases when the disabled person's death is not service-connected.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[b]
Compensation based on need[c]	Ministry for Labor and Social Welfare		
Veterans		Not available.	Not available.
Survivors		Not available.	Not available.
Military disability retirement	No program[d]		
Health care	Ministry for Labor and Social Welfare	Not available.	$262.7 million
Education	Ministry for Labor and Social Welfare		
Veterans			

Objectives	Basis for eligibility	Type or range of benefits
To compensate for lost earning capacity and maintain the veteran's or war victim's livelihood.	Disability must be service-connected and rated at least 50 percent. Veterans must be needy. Almost any income reduces the amount of compensation, but compensation for service-connected disabilities is excluded from this means test.	Eligible persons receive a compensatory pension dependent on income. Wages (minus transportation costs and costs of maintaining a double household) exceeding $1,392 a month or social security benefits (with similar exclusions) exceeding $835 a month would preclude receipt of a compensatory pension. A supplement is available for married couples; the supplement is reduced to the extent the disabled person's income exceeds the limits for a compensatory pension. Compensation for loss of income reimburses the disabled for at least 42.5 percent of the difference between actual gross income and the gross income he or she would have been expected to earn were it not for the disability. If the difference based on net income is higher, then this differential is used to compute the benefit amount.
To compensate survivors of these individuals.	Widows, orphans, or parents of veterans who received compensation on the basis of need are eligible.	Compensation for widows and orphans ranged up to $332 a month, and widows could also receive compensation for the veteran's injury (like the veteran's loss of income compensation). Parents' pensions are dependent on need.
To finance medical care of disabled veterans with service-connected disabilities to (1) improve the health of veterans whose earning capacity has been impaired; (2) prevent additional suffering; (3) alleviate physical symptoms; (4) lessen the aftereffects of disabilities; and (5) reincorporate the disabled veteran into work, occupation, and society.	Veterans with service-connected disabilities are eligible. Dependents of disabled veterans are eligible if the disability is rated at least 50 percent. Care for ailments other than the service-connected disability and for dependents and survivors is available only if the recipients are needy.	Available health care includes ambulatory medical and dental care; prescription drugs; bandages; motion, speech, or occupational therapy; glasses or contact lenses; teeth replacement; hospital care or in-patient rehabilitation; prostheses, seeing-eye dogs, and other devices; and handicap testing and work therapy.
Not applicable.	Not eligible.	

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[b]
Education (continued)			
Dependents or survivors		5,510	$16.2 million
Job assistance	Ministry for Labor and Social Welfare	Not available.	Not available.
Housing	Ministry for Labor and Social Welfare	385	1.3 million
Burial benefits	Ministry for Labor and Social Welfare		
Veterans		5,600 veterans and survivors	3.6 million for veterans and survivors
Survivors			
Life insurance	No program		

Objectives	Basis for eligibility	Type or range of benefits
To assist in the cost of educating the children of certain veterans.	Children of deceased or disabled veterans or other disabled persons are eligible. Children must be under 27 years of age, but this age limit can be extended if education was interrupted by compulsory military or alternative service. The student and family must be needy.	Assistance covers all expenses for study and work materials, training and examination fees, necessary travel between the child's residence and the place of training, and a maintenance allowance. Assistance may not exceed the usual duration of the course of education or training. For students living at home, the amount of the allowance is double the similar allowance provided to certain needy students by the child's state of residence. Students living away from home receive larger amounts. (Data were not provided on the types of education or training qualifying for assistance.)
To assist disabled veterans in obtaining and maintaining employment as well as occupational modification, training, and retraining.	Veteran must have a service-connected disability that prevents the veteran from learning a trade or practicing his or her former profession.	Rehabilitation services are provided in training and job assistance centers and cash assistance is granted if (1) the veteran cannot work full-time or (2) requires support for subsistence.
To finance the acquisition or upgrading of housing for disabled veterans, war victims, or their surviving spouses.	Veterans receiving benefits for service-connected disabilities or their widows are eligible.	Cash can be used to finance a lease in perpetuity; apartment ownership; permanent dwelling rights; a savings account to build a home; home enlargement, repair, or modernization; or paying off a home mortgage. Payments are made in a lump sum of 5 or 10 years' worth (depending on the survivor's age) of future basic compensation for service-connected disabilities.
To pay all or most of the funeral costs of certain disabled veterans.	Deceased veterans who had service-connected disabilities are eligible.	Funeral expenses are paid up to $1,068 if death was the result of a service-connected disability and up to $534 if it was not.
To pay such costs for widows and other survivors.	Eligiblity extends to (1) widows who leave a child who has a right to orphan's compensation or (2) other survivors with a right to compensation.	Funeral expenses are paid up to $1,068 for qualifying widows and up to $534 for other qualifying survivors.

[a]Benefits are provided only to veterans and civilians (war victims)—as well as their dependents and survivors—who incurred disabilities in World Wars I or II. Benefits for disabilities incurred by service members after World War II are provided under separate laws that together serve the general population.

[b]Expenditures and benefit amounts are expressed in U.S. dollars. Other countries' currencies are converted to U.S. dollars using 1990 benchmark purchasing power parities.

[c]This and compensation for service-connected disabilities together form a single program for providing benefits to disabled veterans and war victims. These are not separate programs, but are listed as separate program areas for purposes of comparison with programs of other countries. Like programs of other countries, the provisions listed here depend on the income of disabled veterans, war victims, or their survivors.

[d]A professional soldier with at least 5 years' service is given regular retirement if disabled, under section 31 of the Soldier's Law. In the event that the soldier is disabled by a service accident, additional compensation is paid upon deduction of benefits (described above) based on service-connected disabilities and need.

United Kingdom Programs for Disabled Veterans, Their Survivors, and Dependents During 1990

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Compensation for service-connected disabilities	Department of Social Security		
Veterans		192,000	$792.8 million
Survivors		57,000	345.4 million
Compensation based on need	No program		
Military disability retirement	Ministry of Defence		
Veterans		196,000	1.5 billion

Objectives	Basis for eligibility	Type or range of benefits
To compensate veterans for disabilities attributable to or aggravated by service. Disabilities are measured by comparing the veteran's condition with that of a normal healthy person of the same age and sex, without taking into consideration the disabled veteran's earning capacity.	Disabilities must be due to or aggravated by military duties. It is not enough for the disability to have occurred during service. The burden of proof that the disability is not service-connected lies with the government for 7 years after separation. Thereafter veterans must prove service-connection, but receive the benefit of any reasonable doubt regardless of when the claim is filed.	Payment amounts depend on degree of disability, whether the veteran was an officer, and whether the veteran also receives military disability retirement. The degree of disability is measured in increments of 10 percent ranging from 20 to 100 percent. For (1) veterans who were not officers and (2) officers not also receiving military disablity retirement, annual compensation ranged from $1,315 for a private to $7,134 for a major-general. For officers also receiving military disability retirement, compensation from the Department of Social Security ranged from $1,330 to $6,655 a year. Since April 1993, rank has not been a factor in compensation amounts.
To compensate survivors of these veterans.	The veteran must have died from the condition that made the veteran eligible for compensation for service-connected disability.	Surviving spouses receive $1,208 to $5,708 a year, depending on the veteran's rank. Payments to other survivors (orphans, parents, children, and adult dependent relatives) depend on rank and relationship to the veteran.
To compensate service personnel retired from military duties because of injury or illness.	See objective. The disability may be, but does not have to be service-connected, as defined by the Department of Social Security (see above).	If the veteran's disability is not service-connected (or is service-connected but less than 20 percent disabling), compensation is based on rank and length of service. If the disability is service-connected and 20 percent or more disabling, compensation is based on rank and degree of disability.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Military disability retirement (continued)			
Survivors		70,000	$394.3 million
Health care	No program		
Education	Department of Social Security		
Veterans			
Dependents or survivors		90	7,104
Job assistance	No program[b]		
Housing	Department of Social Security		
Veterans		Not available for 1990; 27 recipients in 1992, including both veterans and survivors.	Not available.
Survivors		Not available.	Not available.

Objectives	Basis for eligibility	Type or range of benefits
To compensate survivors of these veterans.	Surviving spouses, dependent children, orphans, needy parents, or other needy relatives of a military disability retiree are eligible.	If the veteran's disability was not service-connected, a surviving spouse receives 50 percent of the compensation paid to veteran. Where the veteran's disability was service-connected, a surviving spouse receives 90 percent of the full career pension for the veteran's rank less any third-party compensation or other pensions the spouse receives. Lesser amounts are provided dependent children or orphans.
Not applicable.	Not eligible.	
To assist in the cost of educating certain children of current or deceased recipients of compensation for service- connected disabilities.	Children of current or deceased veterans who had received compensation for service-connected disabilities are eligible. If the veteran is deceased, his or her death generally must be from service-connected causes. Children must be at least 5 years old, and the Department of Social Security must determine that the family needs assistance. This program was rendered largely obsolete by legislation that provided free education for all children. The veterans' children's program was discontinued in April 1993.	A maximum annual grant of $213 was available. The average grant in fiscal year 1990 was $80.
To assist veterans who receive compensation for service-connected disabilities in adapting their homes.	Veterans receiving compensation for service-connected disabilities are eligible.	Home adaptations costing up to $444 are paid for.
To provide rent assistance for certain survivors of disabled veterans.	Certain widows or unmarried dependents who lived as wives with now-deceased veterans who received compensation for service-connected disabilities are eligible. The household must include a child, and, in the case of married dependents, a child of the veteran.	Qualified survivors receive rent assistance.

(continued)

Program area	Administering agency	Number of recipients in fiscal year 1990	Fiscal year 1990 expenditures[a]
Burial benefits	Department of Social Security	1,500	$1.2 million
Life insurance	No program		

Objectives	Basis for eligibility	Type or range of benefits
To pay the basic funeral costs of certain recipients of compensation for service-connected disabilities.	Eligible recipients include veterans who received compensation for service-connected disabilities who (1) died of those disabilities or (2) had been receiving an allowance for the services of a personal (not domestic) attendant.	Cash is provided to pay for (1) transporting the body; (2) travel for a relative to arrange or attend the funeral; (3) death certificate; (4) an ordinary coffin; (5) a car for the coffin and bearers plus one other car; (6) flowers; (7) fees for the undertaker, chaplain, and organist; (8) cemetery or crematorium fees; and (9) up to $133 extra costs to fulfill requirements or customs of the deceased's religion.

[a]Expenditures and benefits amounts are expressed in U.S. dollars. Other countries' currencies are converted to U.S. dollars using 1990 benchmark purchasing power parities.

[b]The United Kingdom provides subsidized car or taxi fares to get disabled citizens to work; provides employers that hire the disabled with special tools and equipment; and gives disabled citizens counseling, rehabilitation services, training, and a cash training allowance.

Average Amount Paid in Fiscal Year 1990 for Major Compensation Programs Specifically for Disabled Veterans[a]

Country	Program	Average compensation amount[b]
United States	Compensation for service-connected disabilities	$ 4,243
	Needs-based compensation	4,521
	Military disability retirement	11,182
Australia	Compensation for service-connected disabilities	2,816
	Needs-based compensation	4,239
	Military disability retirement	9,768
Canada	Compensation for service-connected disabilities	5,412
	Needs-based compensation	4,554
	Military disability retirement	5,138
Finland	Compensation for service-connected disabilities	3,078
	Needs-based compensation	2,956
	Military disability retirement	[c]
Germany	Compensation for service-connected disabilities	[d]
	Needs-based compensation	[d]
	Military disability retirement	[c]
United Kingdom	Compensation for service-connected disabilities	4,119
	Needs-based compensation	[c]
	Military disability retirement	7,873

[a]Compensation benefits cannot be compared among the countries because there are differences in programs available, benefits offered, and eligibility criteria. This appendix presents programmatic information on compensation for disabled veterans in the United States and each foreign country studied. Information is provided only when the compensation is offered exclusively or primarily to disabled veterans and is not available to the general population.

[b]All compensation amounts are expressed in U.S. dollars at 1990 benchmark purchasing power parity, which equalizes price levels among countries' currencies.

[c]Program does not exist.

[d]Amount not available.

Average Amount Paid in Fiscal Year 1990 for Major Compensation Programs Specifically for Survivors of Disabled Veterans[a]

Country	Program	Average compensation amount[b]
United States	Compensation for service-connected disabilities	$7,327
	Needs-based compensation	2,467
	Military disability retirement	[c]
Australia	Compensation for service-connected disabilities	5,356
	Needs-based compensation	3,770
	Military disability retirement	[c]
Canada	Compensation for service-connected disabilities	4,130
	Needs-based compensation	2,349
	Military disability retirement	[c]
Finland	Compensation for service-connected disabilities	3,410
	Needs-based compensation	2,238
	Military disability retirement	[d]
Germany	Compensation for service-connected disabilities	8,859[e]
	Needs-based compensation	see above
	Military disability retirement	[d]
United Kingdom	Compensation for service-connected disabilities	6,010
	Needs-based compensation	[d]
	Military disability retirement	5,593

[a]Compensation benefits cannot be compared among the countries because there are differences in programs available, benefits offered, and eligibility criteria. Information is provided only when the compensation is offered exclusively or primarily to survivors of disabled veterans and is not available to the general population.

[b]All compensation amounts are expressed in U.S. dollars at 1990 benchmark purchasing power parity, which equalizes price levels among countries' currencies.

[c]Amount not available.

[d]Program does not exist.

[e]Includes needs-based compensation.

Administration of Veterans Benefits Programs

This appendix describes program administration of veterans benefits in countries that have agencies specifically for veterans, administration by other countries' social services agencies, and the workings of the appeals process in each country.

Several Countries Have Agencies Specifically for Veterans

The United States, Australia, Canada, and Finland have established agencies specifically for serving veterans. In the United States, the Department of Veterans Affairs administers programs providing the majority of benefits to veterans, their dependents, and survivors. The Department of Labor administers employment and training programs for disabled and economically disadvantaged veterans. The Office of Personnel Management administers an employment program giving special preference for disabled veterans and, in some cases, spouses and mothers for federal service employment. The military services administer the disability retirement program. They also administer, in partnership with Labor and VA, programs that provide transition services to members who are leaving the military.

In Australia, benefits are administered by several agencies. Benefits specifically for disabled veterans are administered by the Repatriation Commission through the Department of Veterans' Affairs. The Department administers, on the Commission's behalf, programs providing compensation for service-connected disabilities, compensation based on need, and health and burial benefits. The Department also administers a housing program for veterans. Also, the Commission, through Veterans' Children Education Boards, administers an education assistance program. The Retirement Benefits Office of the Defense Force Retirement and Death Benefits Authority administers a military disability retirement program. The Commission for Safety, Rehabilitation, and Compensation of Commonwealth Employees administers a program providing vocational rehabilitation for disabled federal employees, including veterans.

In Canada, the Minister of Veterans Affairs administers programs for veterans through the Department of Veterans Affairs in conjunction with other independent agencies. The Department of Veterans Affairs in Canada pays all forms of compensation and benefits for veterans as well as for certain civilians who had wartime service, and their families. The Canadian Pension Commission, a quasi-judicial agency, awards compensation to veterans for service-connected disabilities. The Department of National Defense administers a contributory military disability retirement program (members must contribute a portion of their

pay to the program while in service) for persons who retired from military service because of a disability. The Canada Mortgage and Housing Corporation provides priority for moderately priced housing to veterans, including disabled veterans. The Last Post Fund pays for the burial of indigent veterans. And the Service Insurance Board of Trustees administers programs providing life and disability insurance to service members and veterans.

In Finland, the State Accident Office administers all programs providing benefits to disabled veterans, including compensation for service-connected disabilities, education benefits, vocational rehabilitation (for injuries incurred starting in 1991), health care, home adaptations, and burial benefits. This office pays benefits and maintains veterans' medical records for hospital care received during military service. Also, the Social Insurance Institution operates a number of programs for disabled persons, for which veterans may qualify.

Other Countries' Social Services Agencies Administer Programs for Disabled Veterans

Germany and the United Kingdom do not have separate agencies specifically for veterans. Rather, veterans benefits generally are provided under programs administered by social service agencies.

In Germany the Ministry of Labor and Social Affairs administers a pension system providing compensation to persons (or their survivors) whose disabilities were caused by performance of military or paramilitary service or other causes. This German Ministry also operates a number of programs for the general population. These programs are available for veterans and survivors if they otherwise qualify.

The United Kingdom's Department of Social Security administers a number of social programs providing assistance to the disabled, in general, which includes veterans. The programs for veterans include a disability compensation program for service-connected disabilities, an education allowance program (ended in April 1993 for all new claims), a burial services program, a program for adapting housing to meet the needs of disabled veterans, and a war pensioner welfare service program designed to help compensation recipients with financial or practical problems.

In the United Kingdom, other agencies also administer programs for disabled veterans. The Ministry of Defence administers a compensation program for veterans who leave service because of disabilities. The Employment Service (part of the Department of Employment) and local

authorities operate programs for vocational rehabilitation and rental assistance, respectively, the latter funded largely by the Department of Social Security. These employment and housing programs are available to all disabled persons, including disabled veterans. Also, the National Health Service (part of the Department of Health) provides medical services to all citizens, including disabled veterans, who are given priority treatment over all but emergency cases.

The Workings of the Appeals Process

Veterans in the United States, Australia, Canada, and the United Kingdom can appeal decisions on their claims at multiple levels. U.S. veterans have the right, under law, to appeal the decisions made on their claims by the VA regional offices. Claimants have 1 year to appeal a decision. The U.S. appeals process begins when the claimant files a notice of disagreement with the regional office where the claim is reconsidered and the benefit granted or the original decision is upheld. Claimants' disagreements with regional office decisions can be appealed to VA's Board of Veterans Appeals for review and further consideration. The claimant can request a hearing before the Board. Veterans who are dissatisfied with a decision by the Board can appeal to the U.S. Court of Veterans Appeals for further consideration.

U.S. veterans may be represented by legal counsel throughout the appeals process. However, the Board and/or the Court of Veterans Appeals may (1) review the fee arrangement between the veteran and the legal counsel and (2) order a reduction if the fee is deemed excessive or unreasonable. The total fee paid to the legal counsel may not exceed 20 percent of the total amount of any past due benefits awarded on the basis of the claim. The fee is paid to the legal counsel by VA directly from any past due benefits awarded on the basis of the claim.

In Australia, the appeals process is handled by the Repatriation Commission, the Veterans' Review Board, the Administrative Appeals Tribunal, and the courts. The Repatriation Commission acts as the first appeal level by reviewing initial decisions at the request of the veteran. The Veterans' Review Board, an independent body, hears appeals by veterans who are dissatisfied with Repatriation Commission decisions. The Administrative Appeals Tribunal hears appeals from decisions of the Veterans' Review Board. The regular courts are the final route of appeal after the Administrative Appeals Tribunal and only based on a claimed error in law. Veterans can have legal representation for appeals brought before the Administrative Appeals Tribunal or the regular courts. There is

no limit on the fees charged for legal representation and such fees are to be paid by the veteran.

In Canada, the first avenue of appeal is to the agency making the initial decision. Appeals of disability compensation decisions may first be lodged with the Canadian Pension Commission which may reconsider eligibility decisions and disability ratings. If the veteran is dissatisfied with the Commission decision, the appeal can be filed with an ad hoc Entitlement Board composed of three members of the Commission. Similarly, an applicant for compensation based on need may appeal an unfavorable decision to the Department of Veterans Affairs for reconsideration.

In Canada, appeals that still cannot be resolved can be taken to the Veterans Appeal Board. The Board can uphold, modify, or overturn decisions of the Canadian Pension Commission or the Department of Veterans Affairs, or can remand the case to the Commission or Department for further investigation. In addition, the Veterans Appeal Board can authoritatively interpret the statutes upon which disability compensation and needs-based compensation are awarded. The Appeal Board is generally the veteran's last resort for appealing decisions. Court review is available for certain cases of error in law or fact, but very few cases enter the courts.

In Canada, a veteran may be represented by counsel throughout the appeals process. The Bureau of Pensions Advocates, an independent agency, provides free legal services to veterans on claims for disability benefits. Alternatively, the veteran can hire private counsel to handle an appeal but is required to pay the attorney's fee.

In the United Kingdom, appeals are handled first by the administering agency and independent War Pension Committee, which represent the veteran's interest. Further appeals can be made to the Pensions Appeal Tribunals and various courts, namely the High Court in England and Wales, the Court of Session in Scotland, and the Supreme Court of Northern Ireland. Veterans can be represented by legal counsel; however, the counsel's fees must be paid by the veteran. There is no restriction on the amount of such fees. The Royal British Legion will, however, represent veterans at no cost.

Appeals in Finland and Germany are handled by the court system rather than first being reviewed by the office that made the initial decision or by an appeals board. In Finland, decisions made on veterans' claims are

appealed to the Finnish Insurance Court. Further appeal can be made with the Finnish Supreme Court. Veterans can be represented by legal counsel during the appeal process; however, veterans must pay the counsel's fees. These fees are not regulated. Legal advisors are available through the municipal service system at no cost to the veteran. In Germany, appeals are handled through regional or federal courts.

Comments From the Department of Veterans Affairs

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

SEP 8 1993

Mr. Joseph F. Delfico
Director, Income Security Issues
U.S. General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Delfico:

I have reviewed your draft report, DISABLED VETERANS PROGRAMS: U.S. Eligibility and Benefit Types Compared to Five Other Countries (GAO/HRD-93-120). This report provides an interesting comparison of United States veterans' benefits administered by the Department of Veterans Affairs (VA) with somewhat similar benefits administered by several selected foreign governments for their veterans. However, the utility of such an inventory of benefits is questionable without an analysis of the policy and socioeconomic issues that define each country's veterans programs. I believe that this type of analysis is essential if any real comparison of benefits is to be made. In fact, I deem it absolutely necessary if the Congress intends to use this report in any reconsideration of veterans entitlement programs.

There is considerable discussion regarding specific benefits (e.g. educational, job assistance, life insurance) the United States provides. However, the discussion lacks a presentation of any quantitative data to indicate a negative cost impact from offering these benefits. Such information would also be necessary if Congress is to use this report for reconsideration of benefits.

The draft contained a number of substantive errors, and we have provided your staff corrections to those errors. We also provided them with some technical clarifications to discussions we believe could be misinterpreted as presented. However, we are concerned with the GAO's nontraditional use of terms and statements regarding United States programs. We can appreciate that GAO is trying to avoid confusion with other countries' terms. However, we believe GAO should, for example, limit the use of the term "compensation" to refer to service-connected disability payments. Such nontraditional use of terms that are based in statute causes the reader to question the accuracy of the overall discussion.

Thank you for the opportunity to comment on your report.

Sincerely yours,

Jesse Brown

Jesse Brown

JB/vz

Major Contributors to This Report

Human Resources Division, Washington, D.C.

James F. Walsh, Assistant Director, (202) 512-7206
William A. Hightower, Assignment Manager
Paul T. Wagner, Jr., Evaluator-in-Charge
Joe A. Vance, Evaluator
Daniel J. Tikvart, Evaluator
Amy L. Ward, Research Assistant
Henry E. Felder, Assistant Director

Translators

Jan Donsbach, U.S. Department of Veterans Affairs
Brigitta Lent, U.S. Department of State

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are $2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1000
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066.

PRINTED ON RECYCLED PAPER

United States
General Accounting Office
Washington, D.C. 20548

Official Business
Penalty for Private Use $300

First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100