



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

November 7, 2014

The Honorable Carl Levin
Chairman
Senate Armed Services Committee
Washington, DC 20510

Dear Mr Chairman:

On behalf of the Consortium for Citizens with Disabilities (CCD) Veterans Task Force and Financial Security Task Force, we write in support of Section 625 of the Senate National Defense Authorization Act [NDAA]. CCD is a working coalition of national organizations working together to advocate for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of the 54 million children and adults with disabilities in all aspects of society.

As you work to finalize the NDAA for fiscal year 2015, we urge you to retain Section 625 included in the Senate version (S. 2410) to ensure veteran families can help support the future needs of their children with disabilities. As you know, Title 10 survivor benefit plans (SBPs) allow retiring military personnel to pass on a portion of their retired pay to their survivors to provide them with some measure of financial security after their death. Current federal law stipulates that payment of SBP annuities must go to a "natural person" [10 USC 1450 (a) (4)]. As a result, these SBP funds may not be assigned to a special needs trust and must be paid directly to the survivor or the appointed guardian.

In 1993, Congress allowed the use of self-funded special needs trusts (SNTs), both individual and pooled trusts, for Medicaid beneficiaries with disabilities to provide additional support for these individuals over the course of their lifetimes. Under the law, funds deposited in these trusts are exempt from state Medicaid means tests. In addition, it has been common practice for decades for families to establish third-party special needs trusts to provide for the future of an individual with severe disabilities after the death of the parents.

Unfortunately, one group of people with disabilities, survivors of military service members, is unable to benefit from SNTs because of the statutory provisions regulating military survivor benefit plans. The practical impact of this is to render a SBP recipient with a disability ineligible for Medicaid because the annuity will exceed most state income thresholds. Military retirees are left with two equally unappealing options. They

may terminate their SBP enrollment – a complicated process involving revision of their military records – and allow their surviving child with a disability to become indigent in order to qualify for state assistance. Or, they can retain their SBP and accept the fact that their child with a disability will be excluded from critical Medicaid long term supports and services.

Military retirees spend their careers defending the nation and its laws. We strongly believe that it is inequitable that they should be denied a legal avenue afforded other members of the public by what appears to be a technical oversight. Section 625 would resolve this situation by authorizing payment of SBP annuities into special needs trusts set up for military retiree survivors with disabilities. We urge you and your colleagues to ensure that this provision remains in the final measure to correct this unfortunate oversight in the law.

Thank you for your attention to our concerns.

Heather Ansley, United Spinal/Vets First
Co-Chair
Veterans and Military Families Task Force

Maynard Friesz, Easter Seals
Co-Chair
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Susan Prokop, Paralyzed Veterans of America
Co-Chair
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Marty Ford, The Arc of the United States
Co-Chair
Financial Security Task Force

Susan Goodman, National Down Syndrome Congress
Co-Chair
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The Honorable James Inhofe
Ranking Member
Senate Armed Services Committee
Washington, DC 20510

Dear Senator Inhofe:

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November 7, 2014

The Honorable Howard McKeon
Chairman
House Armed Services Committee
Washington, DC 20515

Dear Mr Chairman:

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November 7, 2014

The Honorable Adam Smith
Ranking Member
House Armed Services Committee
Washington, DC 20515

Dear Congressman Smith:

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