

# UPDATE

Vietnam Veterans of America  
Legislative Update  
December 19, 2019

## **FY20 NDAA Conference Report passes both House/Senate Widows Tax Eliminated**

On Tuesday, December 17, the United States Senate passed the FY20 National Defense Authorization Act (NDAA) with a vote of 86-8. The U.S. House passed the FY20 National Authorization Act (NDAA) with a vote of 377-48 on December 11, 2019. This bill contains language that will eliminate the Survivor Benefit Plan/Dependency Indemnity Compensation (SBP/DIC) offset by January 2023. The bill now goes to the White House, where the President will sign it into law.

When signed into law starting January 1, 2021, the 65,000 families affected by the offset will receive a third of their full SBP payment. The number rises to two-thirds in 2022, and the offset is completely eliminated in 2023. In the final year, families will no longer be able to transfer their SBP benefits to children. That transfer is usually done for tax purposes, and the conference agreement does not address the high taxes that resulted from the 2017 tax reform legislation.

VVA is pleased that Congress finally fix the inequitable SBP-DIC program that was, in essence an unfair tax on surviving spouses.

*Vietnam Veterans of America ([www.vva.org](http://www.vva.org)) is the nation's only congressionally chartered veterans' service organization dedicated to the needs of Vietnam-era veterans and their families*