



News for U.S. Military Widows in Korea

1. Pay Raise

There will be an increase in the money you receive starting in January. The increase will be 2.7% and it will apply to the money you receive from VA, Social Security, SBP or any other benefits you receive from the U.S. government.

2. Good News for Widows Who Receive SBP

A widow who receives SBP has that money reduced when she reaches age 62. The money is reduced from 55% of your husband's retired pay to 35% of his retired pay. This happens because you can receive money from Social Security. This has been called the "widow's tax" and many people have been working to get it changed.

A new law will fix the problem starting next year. It will increase the amount of SBP from 35% to 55%, and it will happen 5% at a time. Here is the schedule:

October 2005	40%
April 2006	45%
April 2007	50%
April 2008	55%

This change only applies to widows who receive SBP and Social Security.

3. Where Does Your Money Come From

Some ladies are confused when I talk about SBP, and VA and Social Security because they do not know how to find out where their money comes from. So here is some information to help you. If your money goes to the Credit Union, you can check the bank statement you receive each month. Below are the most common examples. For each one, the date is show, then the source of the benefit, the type of benefit and the date shown as month, day and year.

If you receive your money from the VA, you have an entry that looks like this.

09/01#| US TREASURY 220/VA BENEFIT/090104|

If you receive SBP, your money comes from DFAS and the entry looks like this.

10/01#| DFAS-CLEVELAND/AF ANN PAY/041001 |

If you receive Social Security, you have an entry that looks like this.

08/03#| US TREASURY 303/SOC SEC/080304

If your husband was a GS employee, you have an entry that looks like this.

09/01#| US TREASURY 312/CIVIL SERV/090104|

One other possible source is from a civilian company you husband may have been working for. Here is one from a company called "Raytheon."

11/01#| RAYTHEON SALARIE/PENS PMTS/110102|

Below is an example of the statement you receive each month from the USA Federal Credit Union. In this example, the widow is receiving three different types of benefit, Social Security, VA and SBP.



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For inquiries, call (858) 831-8100 or (800) 220-1USA

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Account Number
[Redacted]

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STATEMENT PERIOD
08/01/04 08/31/04

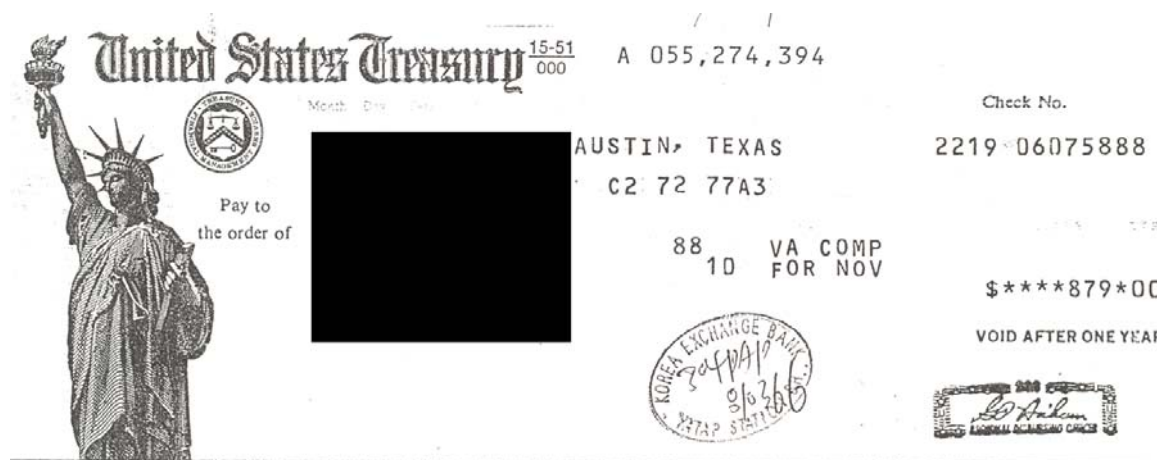
TRANSACTION DATE	← EACH TRANSACTION WITH A # IN THIS COLUMN IS EFFECTIVE DATED	PERIODIC FINANCE CHARGE	LATE PAYMENT CHARGE	DEBITS(-)	CREDITS(+)	NEW BALANCE
	S1 SHARE A/C - PRIMARY SHARE ACCOUNT					
08/01	Previous Balance					
08/03#	US TREASURY 303/SOC SEC/080304					
08/02	CASH WITHDRAWAL					
09/01#	US TREASURY 220/VA BENEFIT/090104					
09/01#	DFAS-CLEVELAND/AF ANN PAY/040901					
08/31	Closing Date...New Balance					
	Dividend rate as of 08/31/04 was	0.450%				
YEAR	TO DATE DIV/INT					
	S1 1.20					
	Total 1.20					

The bottom part shows money coming in and money going out. The first line at 08/01 is the date and shows the amount of money in the account on the last day of last month. The next line, 08/03, shows a Social Security deposit on Aug 3 from Social Security. It has the mark (#) to show the money may be deposited early but cannot be taken out until that date. In this example, the money was deposited before the end of August but cannot be taken out until September 1.

The next date Aug 2 (08/02) show that money was taken out (Cash Withdrawal).

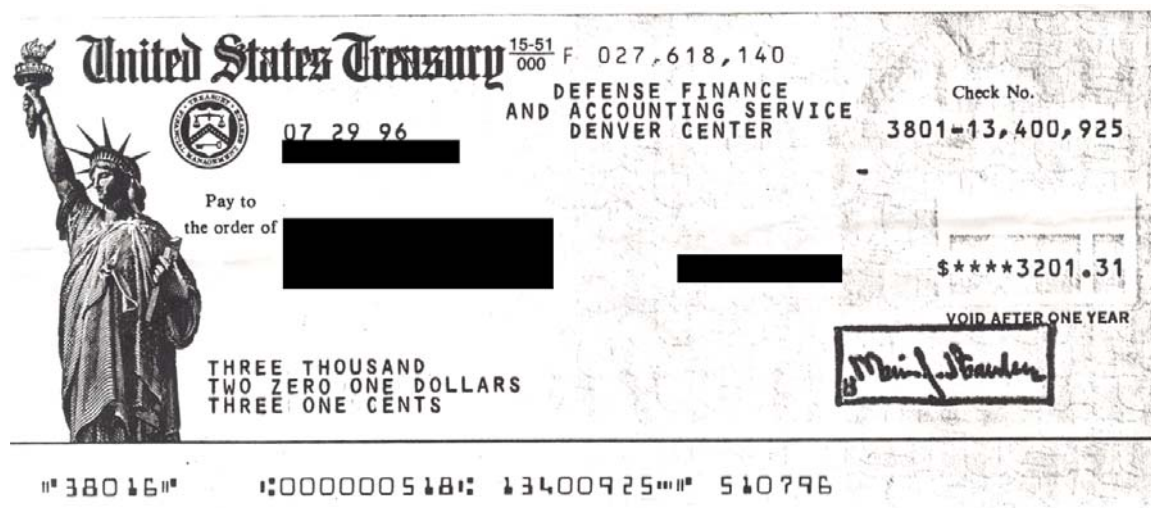
The next two dates (09/01) are for September and show deposits for VA Benefit and for SBP. The last line Aug 31 (08/31) shows the amount of money in the account at the end of the month.

Some of the widows receive their benefits by check mailed to their military post office mailbox or mailed to their house. Below are examples of two checks.



⑈ 22198 ⑈ ⑆000000518⑆ 060758885 ⑈ 181298

This is a check for VA benefits. It comes from Austin, Texas and it is for "VA Comp for Nov" (VA compensation for November).



⑈ 38016 ⑈ ⑆000000518⑆ 13400925 ⑈ 510796

This is a check for SBP benefits. It comes from Defense Finance and Accounting Service. This check is old (from 1996) and came from Denver Center. Now the checks come from Cleveland Center.

Finally, you must understand that only the VA checks are for a set amount of money. If you receive the Death Pension for low-income widows and you have no other income, you receive \$552 in 2004. If your husband died of a service-connected injury, you receive \$967 in 2004.

The other benefits such as SBP and Social Security are based on how much money your husband earned and how long he worked, so everyone's pension is different.

4. A Message to the Widows

I am doing my work as a volunteer service to you. Any problems you may have are reduced, so you don't have to worry. I do the work honestly and zealously, but the work takes time and requires that you be patient and understanding. Please don't forget that I have promised to work the rest of my life in the Republic of Korea, and be devoted to helping all of you.

*Thank you.
Jack Terwiel*