



# News for U.S. Military Widows in Korea

## Pay Increase

Your pay will go up by 3.3% in the check you receive in January. Widows who receive the VA DIC of \$1,033 will start receiving \$1,067. Widows who receive the VA pension of \$591 will start to receive \$610. Other who receive Social Security and other pensions get different amounts based on the amount of money your husband earned, so it's not possible for me to tell you how much you'll receive.

## VA Pension and Social Security

As a reminder to anyone receiving the VA Pension of \$591, it is paid to any widow who has no other income. If you start to receive any other income, it replaces the VA Pension dollar for dollar, and VA counts the new money you receive before any tax is taken out.

Some of the widows who have been receiving the tax-free VA Pension of \$591 (now \$610) have applied for and started receiving Social Security. They are now learning a painful lesson that I tried to explain when they came to see me to apply for Social Security. I explained that when a widow receiving the VA Pension starts to receive Social Security, the VA will stop paying the Pension and will require the widow to return any VA money they received since the Social Security started. Since Social Security takes time to process the claim, the first Social Security payment is large, and then it takes some more time until the VA learns that the widow has started receiving Social Security.

The result is that the widows who started receiving Social Security are receiving letters from the VA demanding that they pay back \$5,000 or \$10,000 or as much as \$20,000. The really bad news is that the widows often find they are receiving less from Social Security than they were from the VA because the Social Security is taxable. Income tax of 25.5% is kept by the U.S. government and the widow cannot cancel or get that tax money back. Using the 2007 VA Death Pension amount of \$610, the widow would have to be eligible for Social Security benefits of \$819 in order to *equal* the VA amount of \$610 once the 25.5% income tax is deducted from the Social Security benefit.

Some widows who have learned this painful lesson ask to stop the Social Security and start receiving the VA Pension again. Then they learn another painful lesson: once the VA Pension is stopped it cannot be started again. They are stuck with less money and they are also receiving letters from the VA demanding that they repay the money they owe to the VA.

It's not a good situation and there's nothing I can do to help them. All I can say is that for other widows who receive the VA Pension of \$610: please don't be tempted by anything anyone else might tell you. Trading the tax-free VA money for the taxable Social Security could be a terrible decision, and one you cannot change once the decision is made.

If you are considering Social Security, let Jack find out how much you will receive after the tax is taken out. Even if it will be more, be sure you're ready to repay the VA for any money they paid from when you started receiving Social Security. When you get the first big Social Security check, put it in the bank. You'll have to give most of it back to the VA and it's better to pay with that money than to repay with money from your monthly Social Security check.

### **Retirement Services Office**

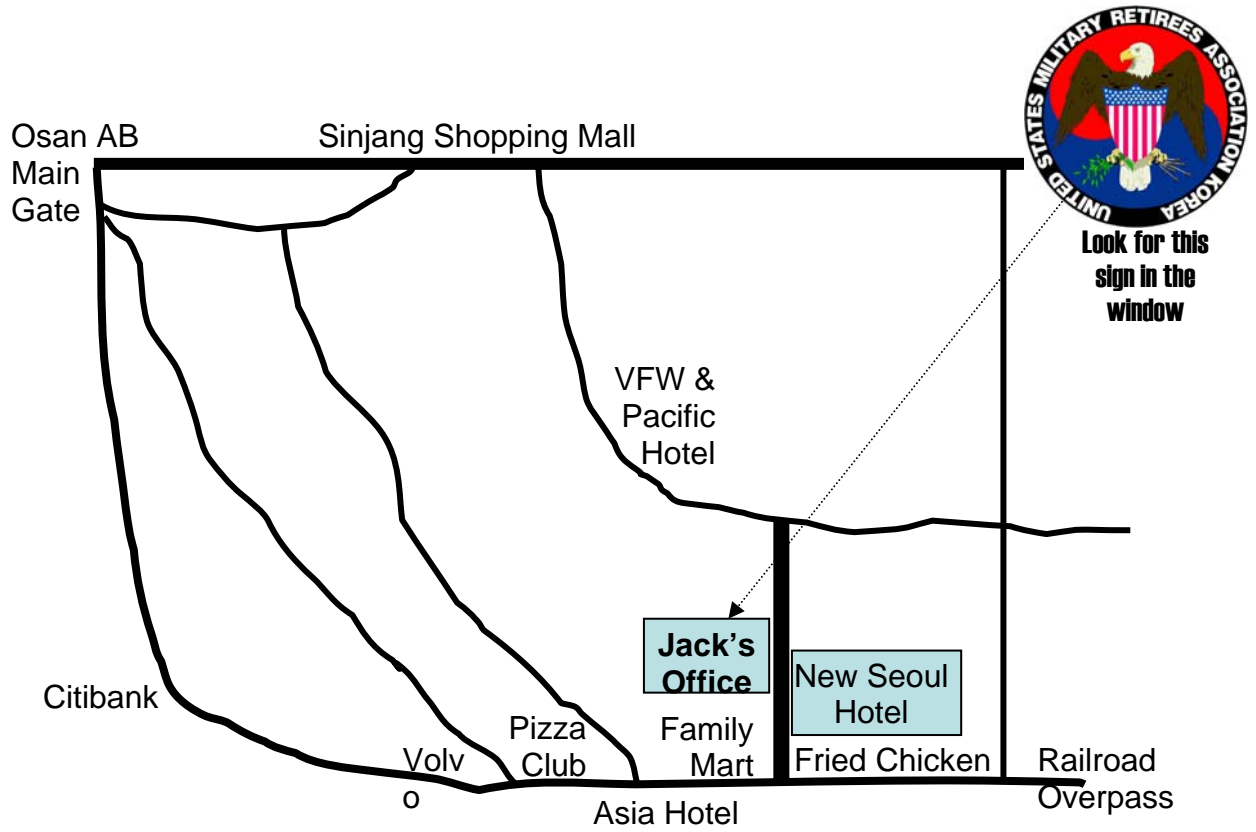
Jack Terwiel's new job, which started in Seoul on Oct 1 and moved to Camp Humphreys on Dec 15, is very different from what he was doing at Osan. Although he is still responsible for helping retirees and widows, he is also responsible for traveling to different cities to meet with retirees. This travel will take place on Tuesdays, with the 1<sup>st</sup> Tuesday at Camp Casey, Dongducheon, the 2<sup>nd</sup> and 4<sup>th</sup> Tuesdays at Yongsan in Seoul, and the 3<sup>rd</sup> Tuesday at Camp Henry in Daegu. He, he is sometimes may also travel on Saturdays when retirees have their meetings. When he works on Saturday or sometimes on Sunday, he will not work on the following Friday.

To try to help you and to keep you from coming to the office when Jack is not there, it's best to call and make an appointment for a scheduled time to visit. Jack is normally in the office from 8:00am until 4:00pm and appointments can be made Monday, Wednesday and Thursday between 8:00am and 3:30pm. Sometimes you'll be lucky and find Jack in the office on Friday. On the other hand, there are times you will find that your trip has been a waste of time because Jack is not there. Also, he leaves the office at 4:00pm since he does not go out to eat lunch.

As a reminder, Jack has an office in Songtan near the Osan AB main gate. His wife, Pune is normally in the office on weekday mornings and Jack is in the office from noon-4pm on Saturday, unless he has to travel to a retiree event. A map showing how to get to the downtown office from the main gate is shown on the next page.

*Thank you and Happy New Year.*

*Jack Terwiel*



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