

Government-furnished headstones or markers in Fiscal Year 2003, which began on October 1, 2002.

DATES: These COLAs are effective December 1, 2002. The headstone or marker allowance rate is effective October 1, 2002.

FOR FURTHER INFORMATION CONTACT: Paul Trowbridge, Consultant, Compensation and Pension Service (212B), Veterans Benefit Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-7218.

SUPPLEMENTARY INFORMATION: Under 38 U.S.C. 2306(d), VA may provide reimbursement for the cost of non-government headstones or markers at a rate equal to the actual cost or the average actual cost of government-furnished headstones or markers during the fiscal year preceding the fiscal year in which the non-government headstone or marker was purchased, whichever is less.

Section 8041 of Public Law 101-508 amended 38 U.S.C. 2306(d) to eliminate

the payment of the monetary allowance in lieu of VA-provided headstones or markers for deaths occurring on or after November 1, 1990. However, in a precedent opinion (O. G. C. Prec. 17-90), VA's General Counsel held that there is no limitation period applicable to claims for benefits under the provisions of 38 U.S.C. 2306(d).

The average actual cost of government-furnished headstones or markers during any fiscal year is determined by dividing the sum of VA costs during that fiscal year for procurement, transportation, and miscellaneous administration, inspection and support staff by the total number of headstones and markers procured by VA during that fiscal year and rounding to the nearest whole dollar amount.

The average actual cost of government-furnished headstones or markers for Fiscal Year 2002 under the above computation method was \$101. Therefore, effective October 1, 2002, the maximum rate of reimbursement for

non-government headstones or markers purchased during Fiscal Year 2003 is \$101.

Cost of Living Adjustments

Under the provisions of 38 U.S.C. 5312 and section 306 of Pub. L. 95-588, VA is required to increase the benefit rates and income limitations in the pension and parents' DIC programs by the same percentage, and effective the same date, as increases in the benefit amounts payable under title II of the Social Security Act. The increased rates and income limitations are also required to be published in the **Federal Register**.

The Social Security Administration has announced that there will be a 1.4 percent cost-of-living increase in Social Security benefits effective December 1, 2002. Therefore, applying the same percentage and rounding up in accordance with 38 CFR 3.29, the following increased rates and income limitations for the VA pension and parents' DIC programs will be effective December 1, 2002:

TABLE 1.—IMPROVED PENSION

Maximum annual rates	
(1) Veterans permanently and totally disabled (38 U.S.C. 1521):	
Veteran with no dependents, \$9,690	
Veteran with one dependent, \$12,692	
For each additional dependent, \$1,653	
(2) Veterans in need of aid and attendance (38 U.S.C. 1521):	
Veteran with no dependents, \$16,169	
Veteran with one dependent, \$19,167	
For each additional dependent, \$1,653	
(3) Veterans who are housebound (38 U.S.C. 1521):	
Veteran with no dependents, \$11,843	
Veteran with one dependent, \$14,844	
For each additional dependent, \$1,653	
(4) Two veterans married to one another, combined rates (38 U.S.C. 1521):	
Neither veteran in need of aid and attendance or housebound, \$12,692	
Either veteran in need of aid and attendance, \$19,167	
Both veterans in need of aid and attendance, \$24,973	
Either veteran housebound, \$14,844	
Both veterans housebound, \$16,998	
One veteran housebound and one veteran in need of aid and attendance, \$21,317	
For each dependent child, \$1,653	
(5) Surviving spouse alone and with a child or children of the deceased veteran in custody of the surviving spouse (38 U.S.C. 1541):	
Surviving spouse alone, \$6,497	
Surviving spouse and one child in his or her custody, \$8,507	
For each additional child in his or her custody, \$1,653	
(6) Surviving spouses in need of aid and attendance (38 U.S.C. 1541):	
Surviving spouse alone, \$10,387	
Surviving spouse with one child in custody, \$12,393	
Surviving Spouse of Spanish-American War veteran alone, \$11,058	
Surviving Spouse of Spanish-American War veteran with one child in custody, \$13,063	
For each additional child in his or her custody, \$1,653	
(7) Surviving spouses who are housebound (38 U.S.C. 1541):	
Surviving spouse alone, \$7,942	
Surviving spouse and one child in his or her custody, \$9,948	
For each additional child in his or her custody, \$1,653	
(8) Surviving child alone (38 U.S.C. 1542), \$1,653	

Reduction for income. The rate payable is the applicable maximum rate

minus the countable annual income of

the eligible person. (38 U.S.C. 1521, 1541 and 1542).