

Defense Act Ends 'Widow's Tax'

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President Donald Trump's signing of the National Defense Authorization Act of 2020 on Dec. 20 terminated the long-standing "widow's tax" of surviving spouses of troops.

The law (P.L. 116-92) allows surviving spouses of military troops who died during active-duty service or retirees who died from a service-connected cause to keep all compensation from the government. Prior to the new law, surviving spouses who received a Dependency and Indemnity Compensation (DIC) paid a dollar-for-dollar offset from their Military Survivor Benefit Plan (SBP).

"This is a momentous victory for the more than 65,000 military spouses who endured the tragic loss of their husband or wife who paid the ultimate sacrifice," said VFW Commander-in-Chief William "Doc" Schmitz. "Without these extraordinary spouses fighting in the trenches with us, the termination of the widow's tax may not have been possible."

For many survivors, the offset completely eliminated their SBP payments and threatened their financial security.

"There is no justifiable reason why money should have ever been stripped away from our military spouses," Schmitz said.

In May 2019, VFW led the first roundtable discussion with other veterans' service organizations, congressional staffers and surviving spouses affected by the offset to create a legislative campaign to eliminate the widow's tax.

VFW National Legislative Service Associate Director Kyle Kalman said the signing of the 2020 Defense budget "rights a wrong" for military widows and widowers, who were "forced to endure" an offset of survivor benefit payments, as well as other types of compensation.

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“We commend the leadership in Congress and the coalition of veterans and survivor organizations that fought alongside us for their commitment to the 65,000 surviving military spouses,” Kalman said. “Our military widows and widowers deserved this victory.”

This article is featured in the March 2020 issue of [VFW magazine](#).