



# Overview of Filipino Veterans' Benefits

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## Summary

The United States has had a continuous relationship with the Philippine Islands since 1898, when they were acquired by the United States as a result of the Spanish-American War. Filipinos have served in, and with, the U.S. Armed Forces since the Spanish-American War, and especially during World War II. The Islands remained a possession of the United States until 1946.

Since 1946, Congress has passed several laws affecting various categories of Filipino veterans. Many of these laws have been liberalizing laws that have provided Filipino World War II veterans with medical and monetary benefits similar to benefits available to U.S. veterans.

However, not all veterans' benefits are available to veterans of the Commonwealth Army of the Philippines, Recognized Guerrilla Forces, and New Philippine Scouts. In the 110<sup>th</sup> Congress, two measures, H.R. 760 and S. 57, have been introduced that would eliminate the distinction between the Regular, or "Old," Philippine Scouts and the other three groups of veterans—the Commonwealth Army of the Philippines, Recognized Guerrilla Forces, and New Philippine Scouts—making them all fully eligible for veterans' benefits similar to those received by U.S. veterans.

This report defines the four specific groups (Regular Philippine Scouts, Commonwealth Army of the Philippines, Recognized Guerrilla Forces, and New Philippine Scouts) of Filipino nationals who served under the command of the United States, outlines the Rescission Acts of 1946, benefit changes since 1946, current benefits for Filipino veterans by group, and recent legislative proposals and legislation, including the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5). It will be updated as legislative events warrant.

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## Background

The Philippine Islands became a U.S. possession in 1898, when they were ceded from Spain following the Spanish-American War (1898-1902).<sup>1</sup> In 1934, Congress passed the Philippine Independence Act (Tydings-McDuffie Act, P.L. 73-127), which set a 10-year timetable for the eventual independence of the Philippines and in the interim established a Commonwealth of the Philippines vested with certain powers over its internal affairs. In 1935, the Philippine Constitution was adopted and the first President of the Philippines was elected. The granting of full independence was ultimately delayed until 1946 because of the Japanese occupation of the Islands from 1942-1945.

Among other things, P.L. 73-127 reserved to the United States the power to maintain military bases and armed forces in the Philippines and, upon order of the President of the United States, the right to call into the service of the U.S. Armed Forces all military forces organized by the Philippine government. On July 26, 1941, President Franklin D. Roosevelt issued an executive order inducting all military forces of the Commonwealth of the Philippines under the command of a newly created command structure called the United States Armed Forces of the Far East (USAFFE). These units remained under USAFFE command through the duration of World War II (WWII), until authority over them was returned to the Commonwealth at the time of independence.

From time to time since 1946, Congress has passed laws providing, and in some instances repealing, benefits to Filipino veterans. This report, which will be updated as legislative events warrant, provides an overview of major Filipino veterans legislation enacted by Congress since 1946. The report begins by defining the specific groups of Filipino nationals who served under the command of the United States, outlines the Rescission Acts of 1946, the changes to benefits for Filipino veterans since 1946, and recent legislative proposals.

**Table 1**, at the end of this report, shows the current benefits for Filipino veterans and survivors.

## Regular, or “Old,” Philippine Scouts

These were soldiers who enlisted as Philippine Scouts prior to October 6, 1945. They were members of a small, regular component of the U.S. Army that was considered to be in regular active service. The Regular Philippine Scouts were part of the U.S. Army throughout their existence, and are entitled to all benefits administered by the Department of Veterans Affairs (VA) by the same criteria that apply to any veteran of U.S. military service.<sup>2</sup>

## Commonwealth Army of the Philippines

These soldiers enlisted in the organized military forces of the Government of the Philippines under the provisions of the Philippine Independence Act of 1934. They served before July 1, 1946, while such forces were in the service of the U.S. Armed Forces pursuant to the military order of the President of the United States dated July 26, 1941.

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<sup>1</sup> 38 U.S.C. §101(6).

<sup>2</sup> 38 C.F.R. §3.40(a).

## **Recognized Guerrilla Forces**

These were individuals who served in resistance units recognized by, and cooperating with, the U.S. Armed Forces during the period April 20, 1942, to June 20, 1946.<sup>3</sup> They served primarily during the Japanese occupation of the Islands. Following reoccupation of the Islands by the U.S. Armed Forces, they became a recognized part of the Commonwealth Army of the Philippines by order of the President of the Philippines.

## **New Philippine Scouts**

These were Philippine citizens who served with the U.S. Armed Forces with the consent of the Philippine government between October 6, 1945, and June 30, 1947, and who were discharged from such service under conditions other than dishonorable.<sup>4</sup> Since these scouts were recruited as a result of the Armed Forces Voluntary Recruitment Act of 1945 (P.L. 79-190), they are referred to as “New” Scouts.

## **Rescission Acts of 1946**

In 1946, Congress passed the first Supplemental Surplus Appropriation Rescission Act (P.L. 79-301) and the second Supplemental Surplus Appropriation Rescission Act (P.L. 79-391), which came to be commonly known as the “Rescission Acts of 1946.” It should be noted that the Rescission Acts of 1946 applied only to Filipino veterans who were members of the Commonwealth Army of the Philippines, Recognized Guerrilla Forces, or the New Philippine Scouts. Veterans who served as Regular, or “Old,” Philippine Scouts were categorized as U.S. veterans. They were, and remain, generally entitled to all veterans’ benefits for which any other U.S. veteran is eligible.

## **First Supplemental Surplus Appropriation Rescission Act (P.L. 79-301)**

Enacted on February 18, 1946, P.L. 79-301 authorized a \$200 million appropriation to the Commonwealth Army of the Philippines with a provision limiting benefits for these veterans to: (1) compensation for service-connected disabilities<sup>5</sup> or death; and (2) National Service Life Insurance contracts already in force.<sup>6</sup> Furthermore, this provision included bill language stating that

Service before July 1, 1946, in the organized military forces of the government of the Commonwealth of the Philippines while such forces were in the service of the Armed Forces

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<sup>3</sup> 38 C.F.R. §3.40(d).

<sup>4</sup> 38 C.F.R. §3.40(b).

<sup>5</sup> The term “service-connected” means, with respect to disability, that such disability was incurred or aggravated in the line of duty in the active military, naval, or air service. The VA determines whether veterans have service-connected disabilities, and for those with such disabilities, assigns ratings from 0 to 100% based on the severity of the disability. Percentages are assigned in increments of 10%.

<sup>6</sup> P.L. 79-301; 60 Stat. 14.

of the United States pursuant to the military order of the President, dated July 26, 1941 ... shall not be deemed to have been active military, naval or air service for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the Armed Forces.<sup>7</sup>

Because of differences between economic conditions and living standards in the United States and the Philippines, P.L. 79-301 also provided that any benefits paid to Commonwealth Army veterans would be paid at the rate of one Philippine peso to each dollar<sup>8</sup> for a veteran who was a member of the U.S. Armed Forces, with the assumption that one peso would obtain for Philippine veterans in the Philippine economy the equivalent of \$1 of goods and services for American veterans in the American economy. Prior to the enactment of P.L. 79-301, Commonwealth Army veterans were determined by the then Veterans' Administration to be eligible for U.S. veterans' benefits.<sup>9</sup>

## **Second Supplemental Surplus Appropriation Rescission Act (P.L. 79-391)**

Enacted on May 27, 1946, P.L. 79-391 provided that service in the Philippine Scouts (the New Philippine Scouts) under Section 14 of the Armed Forces Voluntary Recruitment Act of 1945 (P.L. 79-190) shall not be deemed to have been active military or air service for the purpose of any laws administered by the Veterans' Administration.

## **Legislative Intent of the Rescission Acts**

There is little background information on the intent of Congress in passing the first Rescission Act, as it affects veterans of the Commonwealth Army. However, statements made by Senator Carl Hayden during hearings on the second Rescission Act, which affected New Philippine Scouts, provide some indication of legislative intent in the passage of the first Rescission Act, and to the subsequent passage of the second Rescission Act. Furthermore, other events at the time may provide some context in which the Rescission Acts were considered.

At the end of World War II, when Congress was considering a \$200 million appropriation for the support of the Philippine Army, Senator Carl Hayden of the Senate Committee on Appropriations sent a letter to General Omar Bradley, then Director of the Veterans' Administration, requesting information concerning the status of the Filipino servicemen and the potential cost of their veterans benefits. In his response to the committee, General Bradley indicated that the total cost of paying veterans' benefits to members of the Philippine Commonwealth Army and their dependents, under then existing veterans' laws, would amount in the long run (75 years) to about \$3 billion. It seems clear from Senator Hayden's statements that the passage of the first

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<sup>7</sup> Ibid; now codified at 38 U.S.C. §107.

<sup>8</sup> For example, if a veteran who was a member of the U.S. Armed Forces received \$50 for a benefit, a veteran who was a member of the Commonwealth Army would receive 50 pesos for the same benefit.

<sup>9</sup> In 1942, the Solicitor of the VA ruled that members of the Commonwealth Army called into the service of the United States by the President's order of July 26, 1941, were eligible for benefits under the Veterans' National Life Insurance Act. In 1945, General Omar Bradley, then Director of the Veterans' Administration, expressed an opinion to the Senate Appropriations Committee that the term "veterans" included these Commonwealth Army veterans. *Filipino American Veterans and Dependents Association v. United States of America*, 391 F. Supp. 1314 (N.D. Cal. 1974).

Rescission Act was meant to balance competing financial interests by providing some benefits, such as pensions for service-connected disability or death, while at the same time reducing the U.S. liability for future benefits. To accomplish this, Senator Hayden, Senator Russell and Senator Brooks included language by way of an amendment to the first Rescission bill stating that service by members of the Commonwealth Army was not considered active military, naval, or air service in the U.S. Armed Forces. Furthermore, hearings on the second Rescission Act also clearly indicate that it was Congress's intent to limit wartime benefits given to New Philippine Scouts:

Because neither the President nor the Congress has declared an end to the war, a [New] Philippine Scout upon separation from service would be entitled to the same benefits as an American soldier who served in time of war. Unless this amendment [to the second Rescission Act] is adopted, a [New Philippine] Scout would be entitled to claim every advantage provided for the G.I. bill of rights such as loans, education, unemployment compensation, hospitalization, domiciliary care and other benefits provided by the laws administered by the Veterans' Administration. Because hostilities have actually ceased, the amendment makes it perfectly clear that these wartime benefits do not apply and that the 50,000 men now authorized to be enlisted in the [New] Philippine Scouts will be entitled only to pensions resulting from service-connected disability or service-connected death.<sup>10</sup>

In addition, the passage of the Rescission Acts may have been influenced by other bills under consideration by Congress at that time. In 1946, Congress passed the Philippine Rehabilitation Act (P.L. 79-370) and the Philippine Trade Act (P.L. 79-371). The terms of the Rehabilitation Act required the United States to pay claims for rehabilitation of the Philippines and war damage claims up to \$620 million. Of this sum, \$220 million was allocated for repair of public property. The remaining \$400 million was allocated for war damage claims of individuals and associations. The Philippine Trade Act provided for free trade between the United States and the Philippines until July 3, 1954. These bills under consideration at the time would have provided economic stability to the newly emerging nation. According to Senator Hayden:

As I see it, the best thing the American government can do is to help the Filipino people to help themselves. Where there was a choice between expenditures for the rehabilitation of the economy of the Philippine Islands and payments in cash to Filipino veterans, I am sure it is better to spend any equal sum of money, for example, on improving the roads and port facilities. What the Filipino veteran needs is steady employment rather than to depend for his living upon a monthly payment sent from the United States.<sup>11</sup>

Therefore, it seems clear that Congress considered the Rescission Acts in the context of providing for the comprehensive economic development of the soon to be sovereign Republic of the Philippines.

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<sup>10</sup> U.S. Congress, Senate Committee on Appropriations, Subcommittee on Deficiency, Hearings on H.R. 5604, 79<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 25, 1946, p. 29.

<sup>11</sup> U.S. Congress, Senate Committee on Appropriations, Subcommittee on Deficiency, Hearings on H.R. 5604, 79<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 25, 1946, p. 61.



## Benefit Changes, 1946-1998

### Health Care Benefits

#### **P.L. 80-865**

Enacted on July 1, 1948, P.L. 80-865 authorized aid not to exceed \$22.5 million for the construction and equipping of a hospital in the Philippines to provide care for Commonwealth Army veterans and Recognized Guerrilla Forces. P.L. 80-865 also authorized \$3.3 million annually for a five-year grant program to reimburse the Republic of the Philippines for the care and treatment of service-connected conditions of those veterans. In 1951, plans for a new hospital were completed, and construction of a new hospital began in 1953. Work was completed at a total cost of \$9.4 million, and the hospital was dedicated on November 20, 1955.<sup>12</sup> This facility came to be known as the Veterans Memorial Medical Center (VMMC), and the facility was turned over to the Philippine government. The hospital is now organized under the Philippine Department of National Defense.<sup>13</sup>

#### **P.L. 82-311**

Enacted on April 9, 1952, P.L. 82-311 authorized the President to transfer the United States Army Provisional Philippine Scout Hospital at Fort McKinley, Philippines, including all the equipment contained in the hospital, to the Republic of the Philippines. P.L. 82-311 also authorized a five-year grant program to reimburse the Republic of the Philippines for the medical care of Regular Philippine Scouts undergoing treatment at the United States Army Provisional Philippine Scout Hospital.

#### **P.L. 83-421**

Enacted on June 18, 1954, P.L. 83-421 extended the five-year grant program for an additional five years, through June 30, 1958, and authorized payments of \$3 million for the first year, and then payments decreasing by \$500,000 each year. No change was made to the provision stating that funds could be used for either medical care on a contract basis or for hospital operations.

#### **P.L. 85-461**

The VMMC was originally intended to provide care for service-connected conditions only. However, P.L. 85-461 enacted on June 18, 1958, expanded its use to include veterans of any war for any nonservice-connected disability if such veterans were unable to defray the expenses of necessary hospital care. The VA was authorized to pay for such care on a contract basis. P.L. 85-461 also authorized the President, with the concurrence of the Republic of the Philippines, to modify the agreement between the United States and the Philippines with respect to hospital and

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<sup>12</sup> U.S. Congress, House Committee on Veterans' Affairs, *Medical Care of Veterans*, Committee print, 90<sup>th</sup> Cong., 1<sup>st</sup> sess., April 17, 1967. House Committee print no. 4, p. 384.

<sup>13</sup> See <http://server.pvao.mil.ph/vmmc.html>.

medical care for Commonwealth Army veterans, and Recognized Guerrilla Forces.<sup>14</sup> The law stated that in lieu of any grants made after July 1, 1958, the VA may enter into a contract with the VMMC under which the United States would pay for hospital care in the Republic of the Philippines for Commonwealth Army veterans and Recognized Guerrilla Forces determined by the VA to need such hospital care for service-connected disabilities. P.L. 85-461 also required that the contract must be entered into before July 1, 1958, would be for a period of not more than five consecutive fiscal years beginning July 1, 1958, and shall provide for payments for such hospital care at a per diem rate to be jointly determined for each fiscal year by the two governments to be fair and reasonable.

P.L. 85-461 also authorized the Republic of the Philippines to use at their discretion beds, equipment, and other facilities of the VMMC at Manila, not required for hospital care of Commonwealth Army veterans with service-connected disabilities, for the care of other persons.<sup>15</sup>

### **P.L. 88-40**

Enacted on June 13, 1963, P.L. 88-40 extended the grant program for another five years, through June 30, 1968. Under provisions of P.L. 88-40, costs for any one fiscal year were not to exceed \$500,000.

### **P.L. 89-612**

Enacted on September 30, 1966, P.L. 89-612 expanded the grant program to include hospital care at the VMMC for Commonwealth Army veterans, determined by the VA to need such care for nonservice-connected disabilities if they were unable to defray the expenses of such care. P.L. 89-612 also authorized the provision of hospital care to New Philippine Scouts for service-connected disabilities, and for nonservice-connected conditions if they were enlisted before July 4, 1946, the date of Philippine independence. P.L. 89-612 also authorized \$500,000 for replacing and upgrading equipment and for restoring the physical plant of the hospital. P.L. 89-612 also provided an annual appropriation of \$100,000 for six years, beginning in 1967, for grants to the VMMC for medical research and training of health service personnel.

## **Veterans Health Care Expansion Act of 1973 (P.L. 93-82)**

Enacted on August 1, 1973, P.L. 93-82 authorized nursing home care for eligible Commonwealth Army veterans and New Philippine Scouts. P.L. 93-82 also provided that available beds, equipment, and other facilities at the VMMC could be made available, at the discretion of the Republic of the Philippines, for other persons, subject to: (1) priority of admissions and hospitalizations given to Commonwealth Army veterans or New Philippine scouts needing hospital care for service-connected conditions; and (2) the use of available facilities on a contract

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<sup>14</sup> This law defined "Commonwealth Army Veterans" as "persons who served before July 1, 1946, in the organized military forces of the Government of the Philippines, while such forces were in the service of the Armed Forces pursuant to the military order of the President dated July 26, 1941, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or another competent authority in the Army of the United States, and who were discharged or released from such service under conditions other than dishonorable."

<sup>15</sup> This language contained in P.L. 85-461 was restated in P.L. 85-857, which consolidated the laws of the Veterans' Administration.

basis for hospital care or medical services for persons eligible to receive care from the VA. P.L. 93-82 also authorized funding of up to \$2 million annually for medical care, and provided for annual grants of up to \$50,000 for education and training of health service personnel at the VMMC, and of up to \$50,000 for replacing and upgrading equipment and maintaining the physical plant.

### **Veterans' Health Care, Training, and Small Business Loan Act of 1981 (P.L. 97-72)**

Enacted on November 3, 1981, P.L. 97-72 made substantial changes to then existing law. P.L. 97-72 amended section 632 [now 1732] of Title 38 "to make it explicitly clear that it is the position of the United States that the primary responsibility for providing medical care and treatment for Commonwealth Army veterans and New Philippine Scouts rests with the Republic of the Philippines."<sup>16</sup> The committee report accompanying P.L. 97-72 stated the long-standing position of Congress with regard to health care for Filipino veterans:

There is little doubt that in 1948 when Congress enacted P.L. 80-865, authorizing a 5-year grant program to provide medical benefits to Filipino veterans with service-connected illnesses, including the authorization for constructing and equipping a hospital in Luzon, it intended that this program be temporary and that the Philippine government would eventually assume responsibility for funding the program and operations of the hospital.... These grants were renewed for an additional 5 years in 1954, but on a decreasing annual scale of payments (P.L. 83-421). The Committee report on this bill stated that progressively reducing these grants over five years was to make clear the intent of Congress that the Philippine government would be expected to gradually assume full responsibility for the hospital.... However, because of the moral obligation of the United States to provide care for Filipino veterans and the concern that the Philippine government would not be able to maintain a high standard of medical care to these veterans if assistance by the United States were withheld, this program was extended in 5-year increments through [FY] 1978. P.L. 89-612, enacted in September 1966, expanded the program to include medical care for nonservice-connected disabilities if the veteran were unable to defray the expense of medical care and included New Philippine Scouts in the coverage.<sup>17</sup>

Furthermore, P.L. 97-72 gave the VA the authority to contract for the care and treatment of U.S. veterans in the VMMC, and to provide grant authority of \$500,000 per year for a period of five years for making grants to the VMMC to assist in the replacement and upgrading of equipment and the rehabilitation of the physical plant and facilities of the center.

The grant program was further authorized by making amendments to the grant amount and the time frame for entering into contracts by the following acts:

- P.L. 100-687, enacted on November 18, 1988;
- Department of Veterans Affairs Health-Care Personnel Act of 1991 (P.L. 102-40), enacted on May 7, 1991;

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<sup>16</sup> U.S. Congress, House Committee on Veterans' Affairs, *Veterans' Health Care, Training, and Small Business Loan Act of 1981*. Report to accompany H.R. 3499. 97<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 97-79.

<sup>17</sup> Ibid.

- Veterans' Benefits Improvement Act of 1991 (P.L. 102-86), enacted on August 14, 1991; and
- Veterans Health Care Act of 1992 (P.L. 102-585), enacted on November 4, 1992.

In 1993, the VA discontinued referrals of U.S. veterans to the VMMC, because the VA determined that the VMMC was not providing a reasonable standard of care. Until this time, the VMMC had been the primary contract hospital for the VA in the Philippines. Because of this change in the referral process, the grant-in-aid funding for the VMMC was last authorized by P.L. 102-585 through September 30, 1994, and the program was allowed to expire. However, Congress continued to appropriate funds for the program through September 30, 1996.<sup>18</sup> During a tour of the VMMC in May 2006, the VA Secretary announced that “the VMMC will receive a grant of \$500,000, or approximately 25.5 million pesos, from the U.S. government to help the institution purchase additional equipment and materials for the treatment of Filipino veterans.”<sup>19</sup> The VA currently provides grants of equipment under the authority of 38 U.S.C. §1731.

## **Non-Health Care Benefits**

### **P.L. 82-21**

Enacted on April 25, 1951, P.L. 82-21 authorized funeral and burial benefits, including burial flags, for Commonwealth Army veterans residing in the Philippines (at half the rate of U.S. veterans). These benefits were not extended to New Philippine Scouts.

### **P.L. 89-613**

Enacted on September 30, 1966, P.L. 89-613 extended dependents' and survivors' education assistance to include children of Commonwealth Army veterans and New Philippine Scouts. These benefits were made payable at half the rate of the benefits for children of U.S. veterans.

### **P.L. 89-641**

As a result of a Joint Republic of the Philippines-U.S. Commission study of Philippine veterans' problems, P.L. 89-641, enacted on October 11, 1966 changed how benefits were to be computed by providing for the payment of benefits in pesos based on pesos being equal in value to U.S. 50 cents for each U.S. dollar authorized. In 1978, testifying before the Senate Committee on Appropriations, the General Accounting Office (now the Government Accountability Office) stated that

[T]he intent of the 1966 law was apparently to restore Philippines beneficiaries to approximately their situation in 1946, taking into account the changes occurring in the economies and living standards in the Philippines and the U.S. since 1946. Since the law was enacted, however, legislative increases and devaluations of the peso have provided Filipino

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<sup>18</sup> Department of Veterans Affairs and Housing and Urban Development, Independent Agencies Appropriations Act, 1995 (P.L. 103-327).

<sup>19</sup> U.S. Embassy Press Release, “Medical Center to Benefit from 25-Million Peso Grant; Hosts Visiting U.S. Secretary of Veterans Affairs,” May 1, 2006.

veterans with undue increases in benefits and has resulted in Filipino veterans achieving much higher levels of benefits than their counterparts in the U.S.<sup>20</sup>

## **Benefit Changes Since 1998**

### **Foster Care Independence Act of 1999 (P.L. 106-169)**

Enacted on December 12, 1999, P.L. 106-169 expanded U.S. income-based benefits to certain World War II veterans, including Filipino veterans, who served in the organized military forces of the Philippines while those forces were in the service of the U.S. Armed Forces. Until the enactment of this act, recipients of Supplemental Security Income (SSI)<sup>21</sup> were generally required to reside in the United States to maintain their eligibility. This law enabled eligible Filipino veterans to return to the Philippines and retain 75% of their SSI benefits.

### **The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (P.L. 106-377)**

Enacted on October 27, 2000, P.L. 106-477 changed the rate of compensation payments to veterans of the Commonwealth Army of the Philippines and veterans of Recognized Guerrilla Forces who lawfully reside in the United States. P.L. 106-377 also authorized the VA to provide hospital care, medical services, and nursing home care to these two veterans groups, similar to care and services available to U.S. veterans. In order to receive these benefits, they were required to be legal permanent residents of the United States and be receiving VA disability compensation. P.L. 106-377, also authorized outpatient care at the Manila VA Outpatient Clinic to service-connected U.S. veterans for their nonservice-connected disabilities.<sup>22</sup> Prior to the enactment of P.L. 106-377, the VA was limited to providing outpatient treatment for U.S. veterans in the Philippines only for their service-connected conditions.

### **The Veterans Benefits and Health Care Improvement Act of 2000 (P.L. 106-419)**

Enacted on November 1, 2000, P.L. 106-419 changed the amount of monetary burial benefits that the VA will pay to survivors of veterans of the Philippine Commonwealth Army and Recognized Guerrilla Forces who lawfully reside in the United States at the time of death.

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<sup>20</sup> U.S. Congress, Senate Committee on Appropriations, *Veterans Administration Benefits Programs in the Republic of the Philippines*, Hearings, 95<sup>th</sup> Cong., 1<sup>st</sup> sess., August 31, 1977 (Washington: GPO, 1978).

<sup>21</sup> This program is administered by the Social Security Administration.

<sup>22</sup> 38 U.S.C. Section 1724(e). This clinic refers to the Manila VA Clinic, which is located at 2201 Roxas Boulevard, Pasay City, Metro Manila, and not to the VMMC.

## **The Veterans Health Care, Capital Asset, and Business Improvement Act of 2003 (P.L. 108-170)**

Enacted on December 6, 2003, P.L. 108-170 authorized the VA to provide hospital care, nursing home care, and outpatient medical services to Filipino Commonwealth Army veterans, veterans of Recognized Guerrilla Forces, and New Philippine Scouts. Currently, these groups of veterans are eligible for hospital care, nursing home care, and outpatient medical services within the United States.

## **The Veterans Benefits Act of 2003 (P.L. 108-183)**

Enacted on December 16, 2003, P.L. 108-183 added service in the New Philippine Scouts as qualifying service for payment of disability compensation, dependency, and indemnity compensation (DIC) and monetary burial benefits at the full-dollar rate, and provided for payment of DIC at the full-dollar rate to survivors of veterans of the Philippine Commonwealth Army and Recognized Guerrilla Forces who lawfully reside in the United States.

It should be noted that veterans of the U.S. Armed Forces have the same entitlement to monetary benefits in the Philippines that they would have in the United States, with the exception of home loans and related programs, which are not available in the Philippines.

**Table 1** provides a summary of benefits currently available to Filipino veterans and survivors by category of service (Regular Philippine Scouts, Commonwealth Army of the Philippines, Recognized Guerilla Forces, and New Philippine Scouts).

## **Legislation in the 110<sup>th</sup> Congress**

H.R. 760 and S. 57 would have eliminated the distinction between the Regular or “Old” Philippine Scouts and the other three groups of veterans—Commonwealth Army of the Philippines, Recognized Guerrilla Forces, and New Philippine Scouts—making them all fully eligible for VA benefits similar to those received by U.S. veterans. H.R. 760 was reported out of committee. S. 66 would have required the Secretary of the Army to validate claims by Filipinos that they performed military service in the Philippine Islands during World War II that would qualify them for benefits under U.S. law and issue a certificate of service.

S. 1315, as passed by the Senate, incorporated provisions from S. 57. S. 1315 would have altered current law to deem certain service with Philippine forces during World War II as active service and establish rates for the Improved Pension and the Death Pension for veterans who served with the Philippine forces and their survivors living outside the United States. Under the provisions of S. 1315, single Filipino veterans living outside the United States would receive \$3,600 a year, married veterans would receive \$4,500 a year, and veterans’ survivors would receive \$2,400 a year. However, under the bill, veterans living outside the United States who are eligible for, or receiving, the Social Security benefit for World War II veterans living overseas would not be eligible for the new Improved Pension rates. The bill also would not have applied the current income or net worth limitations for the Improved Pension and the Death Pension for veterans who served with the Philippine forces and their survivors living outside the United States. In addition, the bill would not have required any veteran who served with the Philippine forces or their survivors receiving other federal benefits at the time of enactment to apply for the Improved

Pension or the Death Pension if receiving the new benefits would have made them ineligible for their other federal benefits or reduced the amount of their other federal benefits. S. 1315 provided that disability compensation (for service-connected disabilities) would be paid to all recipients at the same rate regardless of residence, while maintaining the general payment rate of 50 cents per dollar for other benefits to Filipino veterans and survivors living outside the United States.<sup>23</sup> On September 22, 2008, the House passed an amended version of S. 1315 that did not contain the Filipino benefit provisions.

H.R. 6897, as passed by the House on September 23, 2008, would have provided a one-time payment to Filipino veterans who served in the Commonwealth Army of the Philippines, Recognized Guerrilla Forces, and New Philippine Scouts. The payment would be \$15,000 for U.S. citizens and \$9,000 for non-U.S. citizens. Payments are made from the Filipino Veterans Equity Compensation Fund and are subject to funds being available (appropriated). P.L. 110-329 appropriated \$198 million for the Filipino Veterans Equity Compensation Fund.

## Legislation in the 111<sup>th</sup> Congress

The American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5) authorizes a one-time payment from the Filipino Veterans Equity Compensation Fund to Filipino veterans who served in the Commonwealth Army of the Philippines, Recognized Guerrilla Forces, and New Philippine Scouts. The one-time payment is \$15,000 for U.S. citizens and \$9,000 for non-U.S. citizens. Filipino veterans currently receiving benefits will continue to receive those benefits. The one-time payment does not impact eligibility for federally assisted programs. The one-time payment is considered a settlement for all future claims for benefits based on service in the Commonwealth Army of the Philippines, Recognized Guerrilla Forces, and New Philippine Scouts. The exception is that a veteran may receive benefits that the veteran would have been eligible for based on the laws in effect on the day before enactment (September 17, 2009).

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<sup>23</sup> To offset the cost of the expanded pension benefits for Filipino veterans and survivors, S. 1315 would have denied, to veterans over age 65 receiving the Improved Pension benefit, the special monthly pension (for housebound or aid and attendance) unless the veteran also met the disability requirements for the Improved Pension program. This would have overturned a decision of the United States Court of Appeals for Veterans Claims in *Hartness v. Nicholson*, 20 VET. App. 216 (2006).

**Table I. Filipino Veterans and Survivors, Eligibility for VA Benefits**

Veterans' Benefit	Regular, or "Old," Philippine Scouts		Commonwealth Army of the Philippines		Recognized Guerrilla Forces		New Philippine Scouts	
	Living in the U.S. <sup>a</sup>	Living Outside the U.S.	Living in the U.S. <sup>a</sup>	Living Outside the U.S.	Living in the U.S. <sup>a</sup>	Living Outside the U.S.	Living in the U.S. <sup>a</sup>	Living Outside the U.S.
Compensation for service-connected disability	Yes	Yes	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>
Dependency and Indemnity Compensation/DIC (survivors)	Yes	Yes	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>
Medical care	Yes	No <sup>c</sup>	Yes	No	Yes	No	Yes	No
Education benefits <sup>d</sup>	Yes	Yes	No	No	No	No	No	No
Education benefits for children	Yes	Yes	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>
Pension for nonservice-connected disability	Yes	Yes	No	No	No	No	No	No
Death pension (survivors)	Yes	Yes	No	No	No	No	No	No
Burial allowance	Yes	Yes	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>
Burial flag	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Burial in a national cemetery	Yes	Yes	Yes	No	Yes	No	Yes	No
Clothing allowance	Yes	Yes	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>	Yes	Yes <sup>b</sup>
Guaranteed housing loans	Yes	No <sup>e</sup>	No	No	No	No	No	No
Small business loans	Yes	No <sup>e</sup>	No	No	No	No	No	No
Veterans Employment Training Service (VETS) <sup>f</sup>	Yes	Yes <sup>g</sup>	No	No	No	No	No	No
Adaptive housing grants	Yes	No <sup>e</sup>	No	No	No	No	No	No
Adaptive vehicle grants	Yes	Yes	No	No	No	No	No	No

**Source:** Table prepared by the Congressional Research Service (CRS) based on information provided by the Department of Veterans Affairs.

- a. Living in the United States as a U.S. citizen or legal resident.
- b. Benefit is paid at the rate of 50 cents per \$1.
- c. Regular or "Old" Philippine Scouts residing in the Philippines are only eligible for hospital care for treatment of service-connected conditions. In addition, they are authorized to receive outpatient care in facilities other than the Manila VA Outpatient Clinic for service-connected conditions only. Finally, if they are



service-connected, they are eligible to receive care for service-connected and nonservice-connected conditions at the Manila VA Outpatient Clinic based on resources available at the clinic.

- d. The time period for using education benefits has expired.
- e. Certain benefits are not available to any U.S. veteran living overseas.
- f. This program did not exist in 1946.
- g. Must be enrolled in a degree granting college or university.

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