



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 22, 2009

### **S. 407** **Veterans' Compensation Cost-of-Living Adjustment Act of 2009**

*As cleared by the Congress on June 23, 2009,  
and signed by the President on June 30, 2009*

S. 407, enacted as Public Law 111-37, will increase the amounts paid to veterans for disability compensation and to their survivors for dependency and indemnity compensation by the same cost-of-living adjustment (COLA) payable to Social Security recipients. The increase will take effect on December 1, 2009, and the resulting adjustment will be rounded to the next lower dollar. S. 407 also codifies the rates of disability compensation as adjusted by the 2008 COLA.

The COLA that is authorized by this bill is assumed in CBO's baseline, consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act, and savings, if any, from rounding it down were achieved by the Balanced Budget Act of 1997 (Public Law 105-33) and extended to 2013 by the Veterans Benefits Act of 2003 (Public Law 108-183). Furthermore, based on its current economic forecast, CBO does not anticipate a cost-of-living increase in 2010 for Social Security; thus, CBO estimates that enacting this bill will have no impact on spending for those programs.

On June 2, 2009, CBO transmitted a cost estimate for S. 407, the Veterans' Compensation Cost-of-Living Adjustment Act of 2009, as ordered reported by the Senate Committee on Veterans' Affairs. On March 25, 2009, CBO transmitted a cost estimate for H.R. 1513, the Veterans' Compensation Cost-of-Living Adjustment Act of 2009, as ordered reported by the House Committee on Veterans' Affairs. S. 407, as signed by the President, codifies the rates of disability compensation as adjusted by the 2008 COLA, whereas the other versions did not. Otherwise, all versions of the bill language are similar and the estimated costs are identical.

The CBO staff contact for this estimate is Dwayne M. Wright. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.