

**S. 2794, Supporting Families of the Fallen Act**

As ordered reported by the Senate Committee on Veterans' Affairs on December 15, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	1	13	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

S. 2794 would increase the maximum amount of Servicemembers Group Life Insurance (SGLI) that a service member may carry from \$400,000 to \$500,000. The bill would similarly increase the maximum coverage amount available to veterans through the Veterans' Group Life Insurance (VGLI) program. The Department of Veterans Affairs (VA), the administrator of both programs, would be required to confirm that the programs remain actuarially sound after the increases to the maximum coverage amounts and premiums.

SGLI and VGLI are funded through premiums paid by service members and veterans. Balances in the federal account for the program earn interest but premiums have been sufficient to pay all benefit claims. Service members may elect SGLI coverage in increments of \$50,000. Current monthly premiums for SGLI are set at \$0.06 per \$1,000 of coverage. Service members also pay \$1 per month for additional traumatic injury insurance. Thus, service members electing the maximum \$400,000 under current law will pay \$300 per year in SGLI premiums. Increasing the coverage limit to \$500,000 would increase maximum annual premiums for service members to \$372.

Under current law, the Department of Defense (DoD) is required to reimburse service members for SGLI premiums when they serve in a combat zone. Those reimbursements are made from appropriated funds. The department expects to reimburse about 40,000 service members for their SGLI premiums in fiscal year 2022. CBO estimates that DoD will make a similar number of reimbursements each year through 2026 and anticipates that VA would

not change premium rates when implementing the bill. Thus, DoD would reimburse an additional \$72 per service member each year. CBO assumes the bill will be enacted in the middle of fiscal year 2022. Thus, additional SGLI premium reimbursements would increase costs to DoD by \$13 million over the 2022-2026 period, subject to the availability of appropriated funds.

Using information from DoD and VA, CBO estimates that information technology and administrative costs to implement the bill would total less than \$500,000 over the 2022-2026 period. Such spending would be subject to the availability of appropriated funds.

The costs of the legislation, detailed in Table 1, fall within budget function 050 (national defense) and 700 (veterans' benefits and services).

**Table 1.**  
**Estimated Increases in Spending Subject to Appropriation Under S. 2794**

	By Fiscal Year, Millions of Dollars					2022-2026
	2022	2023	2024	2025	2026	
Estimated Authorization	1	3	3	3	3	13
Estimated Outlays	1	3	3	3	3	13

The CBO staff contact for this estimate is Logan Smith. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.