

# A BILL

To amend title 38, United States Code, to provide that veterans disability compensation benefits paid to veterans by the Department of Veterans Affairs pursuant to §1114 shall be excluded from consideration as income for purpose of determining any payments to those not entitled or authorized by this Act.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION. 1. SHORT TITLE.

This Act may be cited as “*Veterans Disability Protection Act 2010*”.

## SEC. 2. Amendments to Title 38 5301.

Amended —Section 5301 title 38, United States Code and insert (I) “*The Secretary in keeping with the initial congressional intent, and its moral and ethical obligations to disabled veterans, their widows and their orphan will prohibit any and all determination that pre-empts<sup>1</sup> disability compensation that diverts any payment from the Department, directly or indirectly to a person or persons not authorize, eligible or entitled to such by this Act.*” before section (a)(1)

Amended —Section 5301(a) (1) of Title 38, United States Code, by inserting “*federal*” after the words - after authorized by ” “ law .

Insert after - equitable process, whatever, “*to include civil and bankruptcy courts*”

Insert after the words - wholly out of such payments, - “*notwithstanding, shall inure wholly<sup>2</sup> to the benefit of the disabled veteran entitled to the same by this act.*”

Subsection (a) (3) by inserting (D) “*Veterans in receipt of all or part of disabilities’ compensation payment administered by the Secretary will not be construed in any manner or form as income, whatsoever.*” pursuant to Title 26 IRS Code Pub. 525.

Insert (a)(3)(D) (1) *A veteran in sole receipt of disability compensation payment by this virtue is not necessarily classified as a retired member of the Armed Forces of the United States of America.*

Amend subsection (c) must be moved to 5305: Waiver of retired pay.

This amendment made by these subsections shall apply with respect to determination for the calendar year after the date the enactment of this Act.

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<sup>1</sup> To appropriate, seize, or take for oneself before others

<sup>2</sup> Defined as solely and exclusively: solely and to the exclusion of all other things.