

THE GI BILL OF RIGHTS

AND HOW IT WORKS

- An Explanation of Its Provisions
- Questions and Answers
- Complete Text

THE SERVICEMEN'S READJUSTMENT ACT OF 1944 (*The GI Bill of Rights*)

No legislative act is of more importance to prospective veterans than "The GI Bill of Rights," but still, no single law has been so misunderstood. Its provisions can be valuable to the future of the GI who realizes what they can do for him, but in the garbled form in which he has been receiving them, they can do him more harm than good.

"The GI Bill" offers four major kinds of help:

- 1. Education and job training.**
- 2. Guaranty of loans.**
- 3. Unemployment allowances, including aid for self employed.**
- 4. Job-finding assistance.**

Education

This is an opportunity for you to study anywhere in the United States at any approved school which you consider best in the field you want to enter. If you were in active service for 90 days or more, part of which was after 16 September 1940¹, were discharged under conditions other than dishonorable, and had your civilian education or training interfered with by your military service, you are eligible. You are also eligible if you want a refresher or retraining course lasting up to one year. The 90 days aren't required if you were discharged because of an actual service incurred injury or disability.

If you had not attained the age of 25 when you entered the service it is assumed your education was interfered with; if you were older than that, you'll have to prove that it was. If you meet other requirements, you are entitled to the one year of training regardless of your age.

You must apply for this educational help within 2 years after your discharge or the official end of the war, whichever is later, and this education cannot extend beyond 7 years after the end of the war.

The Government will pay to the school you have chosen up to \$500 for an ordinary school year to cover tuition, laboratory, library, health, infirmary, and other similar fees, and may pay for books, supplies, equipment, and other necessary expenses, not including living and travelling expenses. Such payments will not be made to institutions or organizations giving you apprentice training on the job.

You will receive a living allowance of \$50 a month if you have no dependents and \$75 a month if you have one or more. If you go to school on a part-time basis or under an apprenticeship arrangement, a lesser allowance will be determined for you by the Administration of Veterans Affairs.

Any eligible person can take 1 year's education or training (or time equal to it in part-time study) at an approved institution, or a lesser time if sufficient to complete the course of instruction chosen. Upon satisfactory completion of the year of study, you may continue up to an additional 3 years, but not to exceed the length of service you have had since 16 September 1940².

For example, if you had 212 years of service after 16 September 1940, you would be entitled to 3 1/2 years of schooling. If you served 412 years, you would be able to get only 4 years of education under this program because that is the limit. Satisfactory work must be maintained throughout the period. If the additional period of instruction to which you are entitled ends after the midpoint in any quarter or semester, you'll be permitted to complete the term.

You may go to any institution which will admit you, if it is approved by an appropriate

¹ Excluding time spent in ASTP if it was a continuation of your civilian medical, dental or veterinary course and completed

² Again excluding time spent in ASTP if it was a continuation of your civilian medical, dental or veterinary course and completed.

state agency or the Veterans Administration. Among the various types of schools included are: Public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers' colleges, normal schools, professional schools, universities, and other educational institutions. You may also choose apprentice or other training on the job.

In some localities, special schools on various educational levels are being set up for veterans. If you've gone as far as third year in high school, for example, but hesitate about going back because you may feel strange in such a youthful environment, these special schools may fill the bill for you. In them you'll be studying with others closer to your age level and interests.

Application for education or training may be made to the nearest regional office of the Veterans Administration, or directly to the educational institution you wish to attend.

Guaranty of Loans

The money involved in the loan guarantee provisions of "The GI Bill" must be used for the purchase or construction of homes, farms, farm equipment or business property. The Government will guarantee part of a loan you make from a bank or other loaning agency. It does not give handouts under this provision, but it will guarantee (without security) up to half the amount borrowed by you, provided that the amount guaranteed does not exceed \$2,000.

For example, if you borrow \$3,000, Uncle Sam pledges that if you are unable to repay the full amount, he will pay back up to 50 percent, or \$1,500. If you borrow \$5,000, the same promise is good for the top limit of \$2,000.

You're still responsible for the debt, however; just because the Government might give you a helping hand doesn't mean you're relieved of all responsibility. The Government can lay a claim against the property of the man who receives the loan. The chief advantage is that the guarantee will help you get more money in the first place and perhaps on more favorable terms.

On the part of the loan which has been guaranteed, the Government pays the interest for the first year. The rate of interest must not be more than 4 percent a year. The loan must be payable in full within 20 years.

These provisions are available to those who were in active service after 16 September 1940, had 90 days or more of service and were released under conditions other than dishonorable, or who became eligible through service-incurred disability or injury regardless of length of service. The application must be made within 2 years after discharge or after the official end of the war, whichever is later, but in no event beyond 5 years after the end of hostilities.

Purchase prices of equipment and property must be reasonable, and there must be a fair chance of success in your business (as judged by your experience and the usefulness of the enterprise). Loans may also be guaranteed for repairs and improvements.

Unemployment Allowances

This section also applies to men who served 90 days or more, were in service after 16 September were released under conditions other than dishonorable, or were discharged because of service-incurred injury or disability regardless of length of service. This compensation will not exceed a period of 52 weeks. The allowances will be made if you are unemployed within 2 years after discharge or end of the war, whichever is later, but will not be paid more than 5 years after the termination of hostilities.

You must reside in the United States at the time such claim is made, be completely unemployed time such a claim is made, be completely unemployed (or if partially employed, earning less than \$23 a week), registered with and continue to report to a public employment office, and able to work and available for suitable work. If you are sick or disabled during a period of unemployment for which allowances have already started, you will not be disqualified.

The weekly allowances under this provision is \$20, less wages earned in part-time work above \$3. In other words, if you are working part-time and earn \$8 a week, and apply for this compensation, you will receive \$15 (\$20 less \$5, which is the amount earned above \$3). Keep in mind that you can get this unemployment pay up to 52 weeks; if you apply for it while you're working part-time, without good cause; you may use it up and not have it available if you should be fully unemployed later.

State employment compensation programs provide weekly payments for unemployed workers in jobs covered by State regulations; such regulations include most jobs in private firms in business and industry, factories, shops, mines, mills, stores, offices, banks, and related institutions.

Types of jobs not covered are farm work, house-hold service, Government, self-employment, and work for many small firms. If you are not eligible under a State program, you will be covered by the Federal plan. If you qualify under both, money received from your State is subtracted from the Federal allowance.

Under the Federal Plan, you may receive 8 weeks allowance for each of the first 3 months of your active service since 16 September 1940 and 4 weeks allowance for each succeeding month for a total of 52 weeks.

It works like this:

If you served in the armed forces:	You will be allowed unemployment compensation (if you meet all the requirements above) up to:
1 month	8 weeks
2 months	16 weeks
3 months	24 weeks
4 months	28 weeks
5 months	32 weeks
6 months	36 weeks
7 months	40 weeks
8 months	44 weeks
9 month	48 weeks
10 months	52 weeks
More than 10 months	52 weeks (max)

You may be disqualified from these allowances if you:

1. Leave suitable work voluntarily without good cause;
2. Are suspended or discharged for misconduct in the course of employment;
3. Fail to apply for suitable work, without good cause, to which you have been referred by a public employment office;
4. Do not accept suitable work when offered;
5. Fail to attend an available free training
6. Stop work because of a labor dispute, unless you can show that you are not involved in the dispute.

A job is not considered suitable when the wages, hours, or conditions of work are substantially less favorable than those prevailing for similar work in the locality, or if the position offered is vacant due directly to a strike, lock-out, or labor dispute.

If you are self-employed in a business or profession, and things don't develop the way you hoped they would, you can get financial aid to help you pull through. If your net business earnings are less than \$100 a month, you may receive the Under the Federal plan, you may receive 8 difference between your actual net earnings during weeks allowance for each of the first 3 months of the previous month and \$100, for a period up to 12 and months.

Job-Finding Assistance

Congress has declared that there shall be an effective job counseling and employment placement service for veterans, and with that purpose in mind & Veterans Placement Service Board has been created to work with the United States Employment Service. This setup aims toward as many job opportunities as possible for veterans. Special aid for veterans will be available through local offices of the United States Employment Service.

Conclusion

“The GI Bill of Rights” includes various other parts which are of minor importance to most prospective veterans. Many interpretations will be made from time to time of provisions of the bill, but the most important items are given here. You will have ready access to a Veterans Administration office or information center at any time for clarification of these details.

Education

QUESTION: "What is meant by 'ordinary school year'? Some schools continue for 11 months and other schools stop at the end of 9 months, and then there is the summer session intervening."

ANSWER: A letter by Brigadier General Frank T. Hines, Administrator of Veterans Affairs, dated 12 September 1944, states: "The 'ordinary school year' is defined as a period of two semesters or three quarters—not less than 30 nor more than 38 weeks in total length. Under this definition an institution may be paid as much as \$500 for each 'ordinary school year' which is completed, regardless of the time required for such completion. Thus \$500 might be paid for each of 4 'ordinary school years' which are completed within three 12-month periods."

QUESTION: "Would the Veterans Administration consider a baseball school a legitimate school? I refer to one of those run by the various teams in New York. Would they give me the maintenance if I attended such a school?"

ANSWER: A veteran may enroll in any educational or training institution approved by the Veterans Administration. Bona fide baseball schools are acceptable. Maintenance benefits will be paid to veterans attending such a school.

QUESTION: "Will the Government have any policy regarding certain schools that refuse enrollment to men because of race, creed, and color, particularly medical students? To what

extent, if any, will the Veterans Administration plug for admission of discriminated men in the future ?"

ANSWER: "The GI Bill of Rights" provides that a veteran may attend any school "which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue." The decision on acceptability is left to the school.

QUESTION: "Why were the ages up to 25 chosen as the ones where one's education was considered interrupted? What about those still studying beyond that age but who were unable to attend school for a year or two because of financial reasons ?"

ANSWER: "The GI Bill of Rights" was not intended to provide education as such, but to provide education for those whose schooling was interrupted because of Army service. To quote the exact wording of the measure, education is to be provided for a man "whose education or training was impeded, delayed, interrupted by reason of his entrance into the service." The vast majority of men graduating from college are under 25. Research among members of the Armed Forces showed that three-fourths of the men who would like to have more education after the war were also under 25. This age, therefore, was set as the age at which education could be assumed, without further evidence, to have been interrupted by war service. But the Bill also provides that any man over 25 is entitled to one year's refresher or retraining course; and, regardless of a man's age, if he can prove that his education was actually impeded by his entry into the Army, he can complete his entire course, irrespective of time (not over 4 years), at government expense.

QUESTION: "'The GI Bill of Rights' offers the opportunity for an ex-serviceman to go to school for one year. I want to work and go to school nights. Naturally, I can't take a full course in one year, if I go to classes at night. Does the Bill base its one year of study specifications on time or credits? If it is on credits, I could take the year's course in about two years of night school."

ANSWER: The educational provisions of "The GI Bill of Rights" provide that every veteran be entitled to at least one year's schooling or "the equivalent thereof in continuous part-time study." The training allowance, however, is based on the proportion of full-time study which the veteran takes.

QUESTION: "One writer says that men over 25 are not eligible for the free schooling, while another says GIS regardless of their age can get at least one year of free schooling. Who is right?"

ANSWER: The one who states that all GIS can get at least one full year of free schooling is correct. Only GIS who do not meet the 90-day qualifying provision or who are discharged under conditions other than dishonorable are out of luck on the free schooling.

QUESTION: "I was just 19 when I was inducted and have now been in service 3 years. How much free schooling am I entitled to?"

ANSWER: You are entitled to a full 4-year course of study at Government expense. You get 1 year of school by meeting the 90-day service qualification and in addition, because you were under 25 when you joined up, you get added periods of free schooling measured by your length of service. The Veterans Administration has ruled that for each month of service a GI can get a calendar month of schooling. Since the average school year is made up of 9 calendar months, 27 months of service will get you 3 years of schooling. That, plus the 1 year previously mentioned, gives you a total of 4 years of schooling. Since 4 years is the maximum, the rest of your service time does not count toward free schooling.

QUESTION: "I own a farm, and when I get out of service I'd like to take advantage of both the educational and the farm-loan provisions of 'The GI Bill of Rights.' Will I be permitted to go to school and borrow money for new equipment for the farm?"

ANSWER: You probably will. A veteran may take advantage of more than one provision of "The GI Bill of Rights" at a time. If you can convince your bank that you can attend school and run your farm at the same time, you should have no trouble swinging the loan to buy the new equipment.

QUESTION: "I have a wife and 3 children. When I get out I'd like to take advantage of the free schooling. How much will I receive for subsistence while attending school?"

ANSWER: You will get \$75 a month while attending school. Every GI who attends school full time will get \$50 a month. Those with dependents get \$25 a month in addition. The number of dependents doesn't matter, since the maximum amount paid is \$75.

QUESTION: "Before I entered the Army I was studying advertising. Now that I am older I can see that this was a mistake and that I am best fitted for research in chemistry. Can I switch over to chemistry or must I continue the course I was studying before I entered the Army?"

ANSWER: You can study anything you want. Under "The GI Bill of Rights" a veteran can go to any approved school or college and study any. thing he likes.

Loans

QUESTION: "I can understand a bank's being completely satisfied with the 50% of a loan guaranteed by the Government, but it has been my experience that a bank will demand security or collateral for any kind of loan. Exactly what guarantee will a local bank demand for the uninsured portion of any loan?"

ANSWER: The first requirement in arranging for a loan is that the veteran satisfy the lender that he, the veteran, is a good risk. This means that in determining the soundness of a loan

for which a federal guarantee is sought, the same general factors that surround a private transaction will apply. In what way, then, is the loan provision of "The GI Bill of Rights" of assistance to the veteran? The answer is that the lender, assured of a 50% guaranty by the Government, will be strongly encouraged to make the loan, even if the security does not cover the entire loan.

QUESTION: "Two other soldiers and I want to start a business in Australia after the war. Do you think the loan privileges of "The GI Bill of Rights' might be extended to cover a business in Australia ?"

ANSWER: Loan privileges of "The GI Bill of Rights" will not be made to veterans planning business ventures outside the United States; the term "United States" means the several states, territories and possessions, and the District of Columbia.

QUESTION: "If I want to buy a home when I leave the service, may I borrow the full \$4,000 under "The GI Bill of Rights' without any other collateral but the mortgage on the house? The house will cost \$4,000. I have a job now waiting for me, but I have nothing else. Can I get a loan up to 100% of the value of the property? I understand that there is a limitation on mortgages of 66% in my state. How can I get around this?"

ANSWER: It is possible to get a loan with no other collateral than the mortgage on the house. In cases where state laws interfere, as above, the veteran may deal with FHA, which will take up to 80% of the value of the property and the Veterans Administration, which will accept the remaining 20%.

QUESTION: "Can I use one loan for two pur poses ?"

ANSWER: A loan for two purposes will be made if the veteran can show evidence of ability to operate both business ventures successfully.

QUESTION: "I have been told that cash benefits under "The GI Bill of Rights' will be taken out of any future bonus that may be voted. Is this true?"

ANSWER: It is. The law states that any benefits derived under "The GI Bill of Rights" shall - be deducted from any future bonus, For example, if you get a loan guaranteed under the law, any bonus money you may be entitled to will be used to reduce the amount of the loan still unpaid at the time the bonus is passed. If any bonus money is left after that, you will get the remainder in cash.

QUESTION: "My wife and I are both in service. Can we each get a loan guaranteed under "The GI Bill of Rights' to be used in buying a house?"

ANSWER: You can. Each of you will be treated as an individual veteran. If you are both able to swing loans from your bank, you could get the loans guaranteed from the Veterans

Administration.

QUESTION: "Is it true that the Government pays all the interest on the loans we get under "The GI Bill of Rights'?"

ANSWER: No, it is not. During the first year of the loan the Veterans Administration will pay the interest on that part of the loan which it has guaranteed. Thus, if you get a \$4,000 loan, the Veterans Administration will pay the interest on \$2,000 or \$80 (at 4 percent, the maximum rate you may pay). You will have to pay the rest of the interest yourself.

QUESTION: "When I get out, I'd like to buy a farm and turn it over to a tenant to run. Meanwhile I want to go back to my own business and let the tenant run the farm for me. Will I be able to get a farm-loan guaranty if I do that?"

ANSWER: You will not. A veteran can get a farm loan guaranteed only if he personally directs and operates the farm. You can, of course, hire all the help you need, but you will not be permitted to operate the farm through someone else.

QUESTION: "I own a farm which my younger brother and sister have been running in my absence. They tell me that local taxes have been accumulating at a fast clip. Will I be permitted to borrow money under 'The GI Bill of Rights to pay off the taxes ?"

ANSWER: You will. You may get either a farm loan or a home loan and use the money to pay off taxes on your property. The same thing applies to taxes on a town or city home owned by a GI.

Unemployment Compensation

QUESTION: "Under the unemployment allowances would a veteran who had gone into farming and was earning less than \$100 per calendar month be paid the difference between his net earnings and \$100? *How?* His earnings can't be computed on a monthly basis."

ANSWER: Unemployment allowances are paid veterans engaged in farming up to the time of their first crop. Following the first crop, the earnings of the veteran are computed on a yearly basis.

QUESTION: " 'The GI Bill' says that a veteran can get only one benefit at a time. Suppose a man has taken advantage of the loan privileges of the Bill. Then he finds himself out of a job. It would seem that he gets no unemployment compensation. Is this true?"

ANSWER: According to "The GI Bill of Rights" a veteran is entitled to only one *monetary* benefit at a time. Loan assistance is *not* considered a monetary benefit. In the situation

outlined above the veteran is eligible for unemployment allowance even though he had arranged a loan with the government. But a veteran cannot get a subsistence allowance while going to school *and* unemployment allowances; they are both monetary benefits.

QUESTION: "I have been told that in order to get unemployment pay allowed under 'The GI Bill of Rights,' I must be willing to take a job even if it is in a factory where there is a strike. Is that right?"

ANSWER: It is not. You do not have to accept a job which is available directly as a result of a strike, lock-out or other labor dispute. Your refusal to accept such a job will not affect your right to the unemployment pay.

QUESTION: "When I am discharged I expect to go into a business of my own. If the business does not succeed, will I be able to get any money under the unemployment provisions of 'The GI Bill of Rights'?"

ANSWER: If your business folds up and you are not earning any money, you will get \$20 a week. Should your business fall off so that you earn less than \$100 during any calendar month you will get the difference between your net earnings and \$100. This difference will be paid only up to 52 weeks.

9 April 1945.