

(not toll-free number) or by email to publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG–124593–23) that is the subject of these corrections is under section 6011 of the Code.

Correction of Publication

In proposed rule FR Doc. 2024–13282, beginning on page 51476 in the issue of June 18, 2024, make the following corrections:

1. On page 51477, in the first column, under the heading **FOR FURTHER INFORMATION CONTACT** the sixth line of the paragraph is corrected to read “or the hearing, the Publications and Regulations Section, (202) 317–”.

2. On page 51479 in the first column, the first line of the column is corrected to read “provided under section 732(a)(2), section 732(a)(1)”.

3. On page 51483, in the third column, in the twelfth line of the second full paragraph the language “reduces” is corrected to read “reduce”.

4. On page 51488, in the first column, in the second full paragraph, the second line from the bottom of the paragraph is corrected to read “free number) by September 12,”.

Oluwafunmilayo A. Taylor,

Section Chief, Publications and Regulations Section, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2024–15719 Filed 7–23–24; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 9

RIN 2900–AS12

Servicemembers’ Group Life Insurance Traumatic Injury Protection Program Amendments

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its regulations that govern the Servicemembers’ Group Life Insurance (SGLI) Traumatic Injury Protection (TSGLI) program to correct an unintended amendment that was made in a recent rulemaking amending the TSGLI Schedule of Losses for payments for inability to perform at least two activities of daily living (ADL) as a result of a traumatic injury other than a traumatic brain injury.

DATES: Comments must be received on or before September 23, 2024,

ADDRESSES: Comments must be submitted through www.regulations.gov. Except as provided below, comments received before the close of the comment period will be available at www.regulations.gov for public viewing, inspection, or copying, including any personally identifiable or confidential business information that is included in a comment. We post the comments received before the close of the comment period on www.regulations.gov as soon as possible after they have been received. VA will not post on www.regulations.gov public comments that make threats to individuals or institutions or suggest that the commenter will take actions to harm an individual. VA encourages individuals not to submit duplicative comments; however, we will post comments from multiple unique commenters even if the content is identical or nearly identical to other comments. Any public comment received after the comment period’s closing date is considered late and will not be considered in the final rulemaking. In accordance with the Providing Accountability Through Transparency Act of 2023, a 100 word Plain-Language Summary of this proposed rule is available at www.regulations.gov, under RIN 2900–AS12.

FOR FURTHER INFORMATION CONTACT: Paul Weaver, Insurance Specialist, Department of Veterans Affairs Insurance Service (310/290B), 5000 Wissahickon Avenue, Philadelphia, PA 19144, (215) 842–2000, ext. 4263. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: TSGLI provides up to \$100,000 of traumatic injury coverage to all servicemembers enrolled in SGLI, and the coverage provides a financial benefit to seriously injured SGLI insureds to assist them with expenses incurred during long periods of recovery and rehabilitation.

On March 15, 2023, VA published a final rule in the **Federal Register**, 88 FR 15,907, that amended its regulations governing the TSGLI program. Among other things, VA recodified the schedule and amended the eligibility standards for certain losses covered under the schedule. Following publication of the final rule, VA discovered that it had inadvertently changed the Schedule of Losses for inability to perform at least two ADLs as a result of a traumatic injury other than a traumatic brain injury. Neither the preamble to the proposed rule nor the preamble to the final rule addressed this change to the

TSGLI regulation. See 85 FR 50,973; 88 FR 15,907.

The current TSGLI Schedule of Losses, as published in the 2023 final rule referenced above, includes a new interval for payment at the 15th consecutive day of ADL loss. 38 CFR 9.21(c)(20) (a “[t]raumatic injury, other than traumatic brain injury, resulting in inability to perform at least 2 activities of daily living . . . [is] payable at the 15th consecutive day of ADL loss [at] \$25,000”). The payment schedule retains the original text for the tiered eligibility standards for payments at the 30th, 60th, and 90th consecutive-day intervals, but it does not include payment at the 120th consecutive-day interval.

VA implemented the TSGLI program in December 2005 (see 70 FR 75,940, 75,947), and from that time until the 2023 final rule, VA had applied the same tiered schedule for amounts payable under the TSGLI schedule for an inability to perform at least two ADLs as a result of a traumatic injury other than a traumatic brain injury: \$25,000 at the 30th consecutive day of the inability to perform ADLs, with additional payments of \$25,000 each at the 60th, 90th, and 120th consecutive day intervals thereafter. This scheduled loss was initially codified at 38 CFR 9.20(e)(7)(xiv), and although the scheduled loss was recodified in subsequent amendments to the TSGLI regulations, VA did not intend to change the tiered schedule for TSGLI payments for an inability to perform ADLs as a result of a traumatic injury other than a traumatic brain injury.

In its recent review of the TSGLI regulation prior to the 2023 final rule, VA determined that the TSGLI payment range for the scheduled losses did not warrant amendment, noting that the then-existing payment amounts in the regulation exceeded payouts under many commercial accidental death and dismemberment insurance policies on which VA’s schedule was based and was consistent with Congress’s intent concerning VA’s administration of the program. See 88 FR 15,908 (discussing VA’s decision not to change the TSGLI payment schedule).

VA has considered but declines to adopt the changed tiered schedule for payments based on the loss of ADLs due to traumatic injury other than brain injury listed in current 38 CFR 9.21(c)(20), which is the result of VA’s inadvertent error. As an initial matter, we note that the 30-, 60-, 90-, and 120-day intervals under the Schedule of Losses were intended for general applicability under this program, unless otherwise specified. Revisions to the

time periods prescribed for the tiered payments for this scheduled loss currently allow for payments higher than intended and may also potentially result in higher payout amounts to individuals with severe but temporary injuries than those paid to injured servicemembers who have permanent injuries.

VA is also obligated to manage TSGLI according to sound actuarial principles (38 U.S.C. 1980A(e)(4) and (5)). See 70 FR 75,940. Further, Congress has expressed its desire that the TSGLI premium remain minimal (151 Cong. Rec. S4095 (2005) (statement of Sen. Craig)). Reducing the first prescribed interval for the most common loss payout under the schedule would substantially increase the benefit costs under the program—which is funded by servicemembers’ premiums—and jeopardize the actuarial soundness of the program by placing upward pressure on the TSGLI premium. If the premiums are no longer sufficient to cover program costs, the only way for the program to avoid a funding loss is to increase the premium. See 38 U.S.C. 1980A(a) and (e).

Finally, VA does not have the authority to make unilateral revisions to regulations that govern coverage for loss due to traumatic injury. See 38 U.S.C. 1980A(j) (requiring VA to consult with the Secretary of Defense when promulgating regulations which govern coverage for loss due to traumatic injury). During both the TSGLI Year-One Review and the TSGLI Year-Ten Review, VA consulted, as required by law, with the uniformed services as well as VA, military, and private medical professionals on this issue. VA findings from this consultation confirmed the 30, 60, 90, and 120-day payment intervals. Therefore, VA has determined that it is necessary to correct this error instead of retaining the erroneous amendment containing the currently reduced time periods.

For the reasons explained, VA proposes to amend 38 CFR 9.21(c)(20) to reinstate the tiered schedule for payments for an inability to perform at least two ADLs as a result of a traumatic injury other than a traumatic brain injury beginning at 30 consecutive days, with additional payments at 60, 90, and 120 consecutive days.

Executive Orders 12866, 13563 and 14094

Executive Order 12866 (Regulatory Planning and Review) directs agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize

net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 14094 (Executive Order on Modernizing Regulatory Review) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Orders 12866 and 13563. The Office of Information and Regulatory Affairs has determined that this rulemaking is not a significant regulatory action under Executive Order 12866, as amended by Executive Order 14094. The Regulatory Impact Analysis associated with this rulemaking can be found as a supporting document at www.regulations.gov.

Regulatory Flexibility Act

The Secretary hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act (5 U.S.C. 601–612). The factual basis for this certification is because the regulation affects only individuals and would not directly affect any small entities. Therefore, pursuant to 5 U.S.C. 605(b), the initial and final regulatory flexibility analysis requirements of sections 603 and 604 do not apply.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This proposed rule would have no such effect on State, local, and tribal governments, or on the private sector.

Paperwork Reduction Act

Although this proposed rule contains collection of information under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521), there are no provisions associated with this rulemaking constituting any new collection of information or any revisions to the existing collection of information. The collection of information for 38 CFR 9.21 is currently approved by the Office of Management

and Budget (OMB) and have been assigned OMB control number 2900–0919.

Assistance Listing

The Assistance Listing number and title for the program affected by this document is 64.103, Life Insurance for Veterans.

List of Subjects in 38 CFR Part 9

Life insurance, Military personnel, Veterans.

Signing Authority

Denis McDonough, Secretary of Veterans Affairs, approved and signed this document on July 17, 2024, and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs.

Jeffrey M. Martin,

Assistant Director, Office of Regulation Policy & Management, Office of General Counsel, Department of Veterans Affairs.

For the reasons stated in the preamble, VA proposes to amend 38 CFR part 9 as set forth below:

PART 9—SERVICEMEMBERS’ GROUP LIFE INSURANCE AND VETERANS’ GROUP LIFE INSURANCE

■ 1. The authority citation for part 9 continues to read as follows:

Authority: 38 U.S.C. 501, 1965–1980A, unless otherwise noted.

■ 2. Amend § 9.21 by revising paragraph (c)(20)(i) through (iv) to read as follows:

§ 9.21 Schedule of Losses.

* * * * *
(c) * * *
* * * * *

(20) Traumatic injury, other than traumatic brain injury, resulting in inability to perform at least 2 activities of daily living (ADL):

(i) The amount payable at the 30th consecutive day of ADL loss is \$25,000.

(ii) The amount payable at the 60th consecutive day of ADL loss is an additional \$25,000.

(iii) The amount payable at the 90th consecutive day of ADL loss is an additional \$25,000.

(iv) The amount payable at the 120th consecutive day of ADL loss is an additional \$25,000.

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