



## ISSUE BRIEF: CONCURRENT RECEIPT

Congress must repeal the inequitable offset between military longevity pay and VA disability compensation for all disabled veterans.

### The Situation

- Veterans who retire from active military service with 20 plus years of active duty must forfeit a portion of their retired pay if service-connected disability compensation awarded by the Department of Veterans Affairs is 40 percent or less.
- Legislation enacted partially repealed the longstanding practice of offsetting disability compensation with military longevity retired pay, which will be fully effective in 2014.
- Currently only those military longevity retirees who are rated 50 percent, or higher, disabled by the Department of Veterans Affairs are able to receive retirement pay and disability compensation without offset.
- Military longevity retirement pay is earned by serving on active duty for 20 years or more, while VA disability compensation is awarded for qualifying disabilities incurred while on active duty.

### The Challenge

- The inequitable offset between military longevity retirement pay and VA disability compensation must be fully repealed, irrespective of disability rating.
- Military longevity retirement pay and VA disability compensation are for entirely different purposes and not a duplication of benefits.
- Disabled veterans who are also military longevity retirees are disadvantaged by essentially funding their VA disability compensation through offset. While recent legislation enacted repealed this prohibition for those rated 50 percent or higher by VA, there is no sound reason for it to not be fully repealed to include disabled veterans rated less than 50 percent by VA to account for their loss in earning capacity the same as those rated 50 percent or higher.

### The Solution

- H.R. 303, Retired Pay Restoration Act, expresses the sense of Congress that military retired pay should not be reduced because a military retiree is also eligible for veterans' disability compensation awarded for a service-connected disability.
- This legislation would allow the receipt of both military retired pay and veterans' disability compensation with respect to any service-connected disability (under current law, only a disability rated at 50% or more).
- DAV supports the full concurrent receipt of both veterans' disability compensation and military retired pay for those individuals who were retired from military service and have a service-connected disability.

Resolution No. 066

*Independent Budget* (p. 13 benefits section)