



ISSUE BRIEF: ELIMINATE LONGEVITY MILITARY RETIRED PAY AND VA COMPENSATION OFFSETS

The Situation

- The fiscal year 2004 National Defense Authorization Act authorized Concurrent Retirement and Disability Payments (CDRP) for longevity military retirees with at least a 50% VA disability rating. This was phased in over a 10-year period from 2004 to 2013. In 2014, offsets ended for military retirees with a 50% disability rating, making them eligible to receive both their entire military retired pay and VA disability compensation.
- Combat Related Special Compensation (CRSC) is considered *special compensation* and not restored retired pay. Under CRSC, the retired pay offset still applies to receive VA disability compensation. However, CRSC reimburses the member for some or all of the offset. Only CRSC is available to those longevity retirees who are rated at 40% or lower. However, CRSC is also available to those with a 50% rating or higher.
- Longevity military retirees rated 40% disabled or lower must forfeit a portion of their retirement pay to receive VA disability compensation. Essentially, these military longevity retirees are funding their VA compensation for service-related disabilities with part of their military retirement pay. This disparity between those that have a 50% or greater VA disability rating versus those that have a 40% or lower rating is unjust.

The Challenge

- In June 2023, the Congressional Research Service updated its report *Concurrent Receipt of Military Retired Pay and Veteran Disability: Background and Issues for Congress*, which noted that opponents of concurrent receipt of longevity military retired pay and VA compensation represents two payments for the same purpose. Supporters of concurrent receipt argue that the two payments are for different purposes; retired pay is for a career of service, while disability compensation accounts for lost earning power and reduced quality of life.

The Solution

- DAV urges Congress to enact H.R. 303, the Retired Pay Restoration Act, which would allow receipt of both military retired pay and veterans' disability compensation with respect to any service-connected disability. This would eliminate the disparity between those with a 50% or higher rating versus those with a 40% or lower rating.