



**Duncan Hunter, Chairman**  
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## **HASC Information Paper**

### **Concurrent Receipt and Combat Related Special Compensation**

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**Hundreds of thousands of veterans will receive some \$22 billion in additional payments over the next ten years.**

#### **Background**

The simultaneous receipt of both military retired pay and any other VA disability compensation to which individuals are entitled is referred to as "concurrent receipt." Until recently, the law required that military retired pay be reduced by the amount of any VA disability compensation received.

Beginning in 1999, each year's annual defense authorization act authorized payments to relatively small groups of military retirees as an alternative to concurrent receipt. The authorization act for fiscal year 2003 authorized a program known as "Combat Related Special Compensation" (CRSC). CRSC provides for payments that are the financial equivalence of concurrent receipt. CRSC is not limited to only those retirees disabled in combat; it also applies to individuals injured in military operations and training. The FY03 act limited CRSC to retirees with at least a 60% disability, or who had been wounded in combat (Purple Heart recipients), irrespective of the disability rating.

On November 24, 2003, President Bush signed the national defense authorization bill for fiscal year 2004. The new law, P.L. 108-136, authorizes, *for the first time*, concurrent receipt for large numbers of military retirees.

## **Benefits Provided Under P.L. 108-136**

**Expanded CRSC:** The new law greatly expands CRSC by repealing the 60% minimum disability requirement (set forth in the FY03 defense Act). Effective January 1, 2004, CRSC is payable to *any* (including personnel who qualify for reserve retirement) military retiree who has at least 20 years of service, a Purple Heart and/or injuries sustained while performing military duty in a combat situation, or with military equipment, or during military training.

**Concurrent Receipt:** The new law authorizes concurrent receipt for retirees with at least a 50% disability rating, regardless of the cause of disability. The amount of concurrent receipt will be phased in over the next decade, from 2004 to 2013. By 2014, the decrease in retired pay would be completely abolished. The phase-in began on January 1, 2004, in the following amounts:

- 100% disability: \$750 per month
- 90 % disability: \$500 per month
- 80% disability: \$350 per month
- 70% disability: \$250 per month
- 60% disability: \$125 per month
- 50% disability: \$100 per month

Eligible veterans will only be able to receive concurrent receipt or CRSC and will normally choose to receive whichever results in the greatest benefit. The FY04 NDAA requires an annual "open season" to be conducted to allow veterans eligible for both concurrent payment and CRSC to choose between the two options.

### **Implementation**

- The Defense Finance and Accounting Service is working closely with the Department of Veterans Affairs to implement the new benefit.
- Concurrent receipt will automatically begin to phase-in and, in most cases, no application is required.
- The Defense Finance and Accounting Service will add the payments to the recipient's retired pay. Those individuals, who do not currently receive a retirement check, will begin receiving one.
- It could take several months for the Defense Finance and Accounting Service to identify who is eligible for concurrent receipt and to fully implement the legislation. Eligible retirees will be paid retroactively to January 1, 2004.

## **Information Resource**

Defense Finance and Accounting Service website – <http://www.dfas.mil>