



POSITION PAPER

Concurrent Receipt of Military Retired and Disability Pay

Issue: Under current law, the Department of Veterans Affairs disability offset requires many military retirees to waive part of their military retirement pay in order to receive VA disability compensation benefits. Retirees are required to waive retirement pay up to the amount of VA Disability compensation they receive.

The American Military Retirees Association supports a complete repeal of this law due to the fact that disabled military retirees earn their retirement through their years of service to our nation and earn their disability compensation through circumstances arising as a result of their service to our nation. Both are earned benefits of their dedication and service.

Background: Military retirement is earned by serving twenty or more years in the military, compensates for longevity of service, and is funded by the DoD. Disability pay is earned in connection with those years of service and compensates for pain and suffering, can be both combat and non-combat related, and is funded through the VA.

Prior to 2004 all disabled military retirees were forced to comply with the offset. Since 2004 military retirees with 20 or more years of service and a disability rating of 50 percent or higher are allowed to receive both their military retirement pay and their VA disability compensation without the offset. However, current law does not eliminate the offset for those service-connected disabled military retirees with VA ratings of 40 percent and below, and Chapter 61 retirees, who were medically retired with less than 20 years. No other federal employees are penalized for retiring and having a disability.

The American Military Retirees Association is committed to the notion that preventing a disabled military retiree from receiving the full amount of the financial compensation that they have earned is an egregious cost saving measure paid for at the sole expense of disabled military retirees. By not being allowed to receive both retired pay and VA compensation, a veteran who was wounded in combat but has a rating less than fifty percent is actually paying for being wounded out of his or her military retired pay.

AMRA Position: The American Military Retirees Association supports a total repeal of the current law in order to allow ALL disabled military retirees to receive the financial compensation for their service that they have earned.

Current Legislation that AMRA is supporting:

HR 303, sponsored by Congressman Bilirakis will provide concurrent receipt for all disabled retirees with the exception of Chapter 61, medically retired, veterans.

HR 333, sponsored by Congressman Bishop will provide concurrent receipt for all disabled retirees including Chapter 61, medically retired, veterans.

AMRA supports both HR 303 and HR 333. Both bills will significantly broaden who is eligible to receive concurrent receipt. The key difference is that HR 333 allows all disabled retirees, including Chapter 61 retirees, to receive concurrent receipt, whereas HR 303 does not. If passed, HR 303 would still provide concurrent receipt for many retirees who are currently funding their own disability through reductions in their retirement pay and AMRA would then be able to pursue an amendment to cover Chapter 61 retirees in the future.

S.271, sponsored by Senator Reid, will provide concurrent receipt for all disabled retirees including Chapter 61, medically retired, veterans.