



AIR FORCE SERGEANTS ASSOCIATION

ISSUE: Congress should repeal the law that reduces military retirement pay, paid by the Department of Defense (DoD), by the amount of service-connected disability compensation received from the Department of Veterans Affairs (VA), for those disabled military retirees whose disability rating is less than 50 percent.

BACKGROUND: For many years, the law stipulated that a citizen could not be “paid twice” for the same disability/service. The result was a one-for-one reduction in military retirement pay for every disability dollar received from the VA. However, since 2003 Congress has incrementally provided full concurrent retirement and disability pay (CRDP) for VA service-connected disability levels of 50 percent and higher. Currently, disabled military retirees with a disability rating of less than 50 percent, and also those who were medically retired with less than 20 years of service (Chapter 61), are not eligible for CRDP. Over the past several years, members of both houses of Congress have introduced legislation calling for full CRDP, only to see their legislation dropped before inclusion in the annual defense bill. In the past few years, Senator Harry Reid, D-Nev., amended the Senate’s version of the National Defense Authorization Act (NDAA) with a CRDP provision, only to see the measure dropped in the House-Senate NDAA Conference.

DISCUSSION: AFSA believes, and past congressional action on this matter affirms, that military retirement pay is provided to servicemembers who have honorably served over a designated period of time. Also, VA disability compensation is paid for the physical or mental harm that was done to a servicemember during his/her period of service. There is no logical reason why one payment is reduced because a veteran is receiving the other. In recent years, Congress has taken steps to incrementally eliminate this reduction, with those rated 50 percent and higher now receiving all of their retirement pay from DoD and all of their VA service-connected disability compensation. However, the job is not yet done.

AFSA POSITION: It is time for Congress to take the final step toward removing this inequity by providing full retirement pay and full disability compensation (CRDP) regardless of service-connected disability level—for longevity retirements and for those that resulted from medical separations (Chapter 61).

KEY BILLS/STATUS: In the 114th Congress, Rep. Gus Bilirakis, R-Fla., has introduced H.R. 303, the “Retired Pay Restoration Act,” which would provide full CRDP for disabled retirees rated less than 50 percent disabled. Rep. Sanford D. Bishop’s, D-Ga., H.R. 333, the “Disabled Veterans Tax Termination Act,” covers those disabled retirees addressed by H.R. 303 and also would provide full CRDP for Chapter 61 retirees who served less than 20 years. Senator Reid has introduced S. 271, the “Retired Pay Restoration Act of 2015,” which would accomplish the same as H.R. 333—full CRDP for all disabled retirees.