



## NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE 1931 Jefferson Davis Highway, Crystal Mall 3  
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**For External Release**

### **Concurrent Receipt Pay Becomes Reality**

ARLINGTON, Va. (Dec. 16) -- Military retirees will begin receiving both retired pay and Department of Veterans Affairs disability compensation as the DVA disability offset is phased out.

Previously, the offset reduced the amount of the military retiree's pay by an amount equal to any disability payment received from the DVA.

Legislation authorizing concurrent receipt of both forms of compensation was signed by President George W. Bush on Nov. 24, 2003. The legislation will deliver billions more to more than 200,000 disabled military retirees and takes effect Jan. 1, 2004.

Public Law 108-136 (Sections 641 and 642 of Public Law) authorizes a 10-year, phased elimination of the DVA disability offset to retired pay. This will affect members with non-disability retirements, without regard to years of service. Those who retired as a result of a service-related disability are also eligible. These members must have at least 20 years of qualifying service. In all cases, the retiree must be rated at least 50 percent disabled by the DVA. Today, more than 200,000 military retirees meet the criteria required to receive an increase in their retired pay

This legislation expands the field of eligibility for Combat-Related Special Compensation to include retirees with 20 years who have a combined disability rating of less than 60 percent. It expands eligibility for a tax-exempt payment to replace retired pay lost to the concurrent receipt ban and is open to retirees with 20 or more years of service and disabilities tied to combat or combat-related training. Reserve retirees are included; people who retired under Temporary Early Retirement Authority are not. While this change expands the number of veterans currently receiving CRSC from about 4,800 today, eligible retiree may not receive both concurrent receipt payments and combat-related special compensation at the same time. The act requires an annual "Open Season" to be conducted to allow veterans eligible for both concurrent payment and CRSC to choose between the two options. Details on how the annual open season will be conducted will be published separately.

Because the act also repeals the authorization for Special Compensation for the Severely Disabled which provides veterans benefits for those with disabilities greater than 60 percent, about 37,000 SCSD recipients will be the first to see increases to their retired pay effective Jan. 1, 2004, for the payment dated Feb. 2, 2004.

System changes are required to fully implement the legislation and will take several months to complete. The Defense Finance and Accounting Service is working closely with the DVA to implement this legislation and issue the payments to all eligible retirees as soon as possible. When full implementation is completed, payments will include monies that are due retroactively to Jan. 1, 2004.

Interested military retirees should watch for updated information on myPay (<https://mypay.dfas.mil>), which allows retirees to take control of their pay account information online, and the DFAS Web site (<http://www.dfas.mil>). Retirees should also visit <http://www.dod.mil/prhome> for other information about benefits, programs and information that affects them. Information on veterans' benefits is available at <http://www.va.gov>.

### **About DFAS**

The Defense Finance and Accounting Service is the world's largest finance and accounting operation. It provides responsive, professional finance and accounting services to the men and women who defend America. In Fiscal Year 2003, DFAS paid about 5.9 million people, processed more than 12.3 million invoices from defense contractors, disbursed more than \$416 billion and managed more than \$197 billion in military trust funds. For more about DFAS visit <http://www.dfas.mil>.