

Concurrent Receipt Reform to End Earned Benefits Offset

The VFW's Concern:

For more than two decades, Congress has failed to fully address the long-standing injustice of withholding military retirement pay from disabled veterans. Military retirement pay and Department of Veterans Affairs (VA) disability compensation are separate benefits budgeted by separate federal agencies and earned for different reasons, yet current law continues to treat their concurrent receipt as “double-dipping.”

In 2004, Congress authorized concurrent receipt for retirees with at least 20 years of service and a 50 percent or higher service-connected disability. This partial fix left behind disabled retirees rated below 50 percent and veterans medically retired under Chapter 61. More than 59,000 combat-injured Chapter 61 retirees continue to have their military retirement pay offset by VA disability compensation despite having earned both benefits. They are among more than 255,000 Chapter 61 retirees affected by concurrent receipt restrictions.

The VFW strongly believes Congress must end these offsets and fully address concurrent receipt. Military retirement obligations should be considered by the Committees on Armed Services and should not be financed at the expense of national defense or other veterans' benefits. Congress has existing tools, including the Military Retirement Fund, to responsibly fulfill these obligations.

The *Major Richard Star Act* is one of the most widely supported bipartisan bills in Congress and would provide concurrent receipt to combat-injured Chapter 61 retirees. However, the version included in the *Take Care of America's Veterans Act* is not the clean and complete H.R.2102 / S.1032. It would cap concurrent receipt at the amount a retiree would have earned through a 20-year longevity retirement, creating another offset for some combat-injured retirees.

The VFW Urges Congress to:

Pass the clean and complete H.R.2102 / S.1032, *Major Richard Star Act*, either as a standalone bill or via the National Defense Authorization Act for Fiscal Year 2027, without caps or limitations that would create a new offset for combat-injured Chapter 61 retirees, and without financing this military retirement obligation through reductions to veterans' disability compensation or other earned benefits.

Hold hearings in the House and Senate Committees on Armed Services to examine broader concurrent receipt reform and the appropriate use of the Military Retirement Fund to fulfill earned military retirement obligations.