

# Concurrent Receipt Programs

## Concurrent Retirement & Disability Payments (CRDP) Combat-Related Special Compensation (CRSC)

The Department of Defense (DoD) is, and has been, making extra payments to retirees to overcome some or all the offset from retired pay associated with receipt of disability compensation from the Department of Veterans Affairs (VA). Retirees cannot receive benefits simultaneously under both of these programs. The programs are:

**Concurrent Retirement and Disability Payment (CRDP):** This program provides a 10-year phase-out of the offset to military retired pay due to receipt of VA disability compensation. Qualified individuals are those who are retired active or age 60 retired reserve members who also have a combined VA disability rating of 50% or greater. Members retired under military disability provisions (Chapter 61 to title 10 United States Code) must have at least 20 years of service. Today, more than 275,000 retirees are receiving CRDP payments of over \$241 million per month.

**Effective January 1, 2004:** Initial entitlement under the program began on January 1, 2004. Payments were made to nearly 150,000 qualified retirees on February 2, 2004.

**Effective January 1, 2005:** The 10-year phase-out was eliminated for those individuals actually *rated 100% disabled by the VA* and they became eligible to receive all of their formerly offset military retired pay.

**Effective October 1, 2008:** The 10-year phase-out will be eliminated for those individuals not rated 100% disabled by VA, but who are paid at the 100% level as "*Individual Unemployables*" (*IUs*), and they become eligible to receive all of their formerly offset military retired pay retroactive to January 1, 2005.

**Initial Rates:** CRDP is part of retired pay and cannot exceed the amount that would be otherwise offset. During CY 2004, CRDP was paid to qualified retirees up to the following maximum amount based on the current monthly VA disability rating:

VA Disability Rating	Initial CRDP Payment in CY 2004
100% (total)	\$750
90%	\$500
80%	\$350
70%	\$250
60%	\$125
50%	\$100

**Phase Out:** The above payments are increased each year following 2004, by additionally paying a percentage of the remaining amount of retired pay still being offset for each individual until the offset is completely eliminated in 2014. Therefore, the phase out is progressive. This results in the following schedule of payments:

<b>Calendar Year</b>	<b>Percentage of Remaining Offset (if any) to be Added to Initial CRDP</b>
2005	10.00%
2006	28.00%
2007	49.60%
2008	69.76%
2009	84.88%
2010	93.95%
2011	98.18%
2012	99.64%
2013	99.96%

**Special Rules for Chapter 61 Disability Retirees:** Members retired for disability under Chapter 61 of title 10 United States Code may be entitled to CRDP only if they have at least 20 years of service qualifying for regular or reserve retirement. Additionally, any disability retired pay that is in excess of retired pay to which that member would be otherwise entitled (i.e., for years of service) remains subject to offset and may not be restored under the CRDP program.

**No Application Required:** Applications for CRDP are neither required nor accepted. The Defense Finance and Accounting Service (DFAS) will determine CRDP benefits automatically. Retirees who are not receiving payments, but believe they qualify, should contact their Military Department or DFAS to determine the reason for non-payment.

**Taxability:** This entitlement is taxable.

**Information:** Additional information is available at the following web site:

DFAS: <http://www.dod.mil/dfas/retiredpay/pageindex.html>

**Combat-Related Special Compensation (CRSC):** This program provides a special monthly payment equivalent to the offset to military retired pay due to receipt of VA disability compensation determined to be combat-related. Qualified individuals include any military retired members with an offset to retired pay due to VA compensation determined to be combat-related. Today, more than 50,000 retirees are receiving CRSC payments of over \$59 million per month.

**Effective June 1, 2003:** Initial benefits were payable only to members with at least 20 years of active duty or equivalent reserve duty (i.e. 7200 points) who had combat-related disabilities totaling a rating of 60% or more, or with a rating of 10% or more for combat-related injuries for which they were awarded a Purple Heart.

**Effective January 1, 2004:** Eligibility was extended to members with any level of VA rating for combat-related disabilities or Purple Heart which results in an offset to military retired pay. Additionally, eligibility was extended to members receiving Reserve retired pay (i.e., Reserve members at age 60 with 20 "good" years or Reserve members retired under Temporary Early Retirement Authority (TERA)).

**Effective January 1, 2008:** Eligibility was extended to military disability retirees (i.e., Chapter 61 of title 10 United States Code) and members retired under active duty TERA rules.

**Special Rules for Chapter 61 Disability Retirees:** According to law, members retired for disability under Chapter 61 of title 10 United States Code must have the CRSC entitlement reduced by the amount their military disability retired pay exceeds the retired pay they would otherwise be entitled to for retirement with at least 20 years of service. Disability retirees with less than 20 years of service must have the CRSC entitlement reduced by the amount their military disability retired pay exceeds the amount calculated as for a regular retirement (i.e.  $2\frac{1}{2}$  percent x years of service x pay base). Note: this may result in a significant reduction or elimination of CRSC for members with few years of service.

**Application Required:** To receive CRSC benefits, retirees must apply with their Branch of Service on a DD Form 2860. The Service will determine which disabilities, if any, qualify as combat-related. DFAS will pay CRSC based on the current combined disability rating of combat-related disabilities as compensated for the current month by VA. Benefits before January 2004 are based on the VA compensation rate for a "veteran alone" and applicable to only those disabilities determined as combat-related.

**Taxability:** This entitlement is non-taxable.

**Information:** Additional information is available at the following web sites:

Army: <http://www.crsc.army.mil/>

Navy & Marine Corps: <http://www.hq.navy.mil/ncpb/CRSCB/combatrelated.htm>

Air Force: <http://ask.afpc.randolph.af.mil/crsc/>

DoD: <http://www.defenselink.mil/prhome/mppcrsc.html>

Services may be contacted at the following addresses and toll-free numbers:

- **ARMY:**  
U.S. Total Army Personnel Command  
U.S. Army Physical Disability Agency (CRSC)  
c/o The Adjutant General Directorate  
2461 Eisenhower Avenue  
Alexandria VA 22331-0470  
(Toll free 1-866-281-3254)

- **NAVY AND MARINE CORPS:**  
Department of Navy  
Naval Council of Personnel Boards  
Combat-Related Special Compensation Branch  
720 Kennon Street S.E., Suite 309  
Washington Navy Yard, DC 20374-5023  
(Toll free 1-877-366-2772)
- **AIR FORCE:**  
United States Air Force Personnel Center  
Disability Division (CRSC)  
550 C Street West, Suite 6  
Randolph AFB TX 78150-4708  
(Toll Free 1-800-616-3775)