

Concurrent Receipt

VFW's Concerns:

Military retirees with 20 or more years of service qualify for retirement pay based on their dedicated service to our nation. These same veterans may also qualify for disability compensation for any injuries that were caused or aggravated by their military service. Prior to 2004, military retirees could not receive both retirement pay and disability pay because it was erroneously perceived as a duplication of benefits. In 2004, the VFW pushed Congress to implement a phase-in of full concurrent receipt for retirees who are rated 50 percent disabled or greater.

As of July 2016, there were approximately 450,000 military retirees receiving Department of Veterans Affairs (VA) disability compensation, but who were not eligible for concurrent receipt. The VFW has long argued that retired pay and VA service-connected disability compensation are fundamentally different benefits, granted for different reasons. Military retired pay is earned by 20 or more years of service in the United States Armed Forces, allowing retirees to maintain their standard of living while attempting to enter the civilian job market for the first time in the middle of their prime working years. Service-connected disability compensation is a benefit meant to supplement a veteran's lost earning potential as a result of the disabilities he or she incurred while in service.

For decades, the VFW has urged Congress to eliminate the dollar-for-dollar offset that has prevented surviving spouses from receiving both Survivor Benefit Plan (SBP) payments from the Department of Defense (DOD) and Dependency and Indemnity Payments (DIC) from VA. At best, this offset serves to save the government money. However, and not unlike concurrent receipt, the VFW sees SBP and DIC as two separate benefits, paid from two separate government agencies for two separate reasons.

SBP is intended to provide up to 55% of a deceased military retiree's DOD pay to his or her surviving spouse, and DIC is an additional compensation benefit paid to surviving spouses when a veteran dies of a service-connected wound, illness, or injury. In light of these obvious differences, any SBP payment must first be offset by the full DIC amount — a process that has come to be known as the "Widow's Tax." While Congress has passed legislation to provide a Special Survivor Indemnity Allowance of \$310 per month, as well as an amendment in the National Defense Authorization Act for Fiscal Year 2018 to make this allowance permanent, the VFW urges Congress to completely remove the offset.

VFW's Solutions:

- Congress must pass H.R. 303, or S. 66, the *Retired Pay Restoration Act*, which would enable disabled retirees to concurrently receive the retirement pay and VA disability compensation they have earned and deserve, without offset.
- Congress must pass H.R. 846, the *Military Surviving Spouses Equity Act*, or S. 339, the *Military Widow's Tax Elimination Act of 2017*, which would honor the sacrifices of our nation's heroes by ensuring their survivors are able to maintain at least a modest quality of life, without having to unjustly offset their benefits.