

The Honorable Michael Bilirakis
March 8, 2001

“Fiscal Year 2002 Budget Resolution”

As you begin work on the Budget Resolution for Fiscal Year 2002, I urge the Budget Committee to include budgetary authority sufficient to remedy the inequitable offset of military retirement pay and VA disability compensation.

As you may know, some military retirees -- individuals who are eligible for military retirement benefits as a result of a full service career -- are also eligible for disability compensation from the VA based on a medical problem they incurred while in the service. Under present law which dates back to the 19th century, these service-disabled retirees must surrender a portion of their retired pay if they want to receive the disability compensation to which they are entitled.

Think of two soldiers who joined the Army together and were wounded in the same battle. Joe left the Army after his four-year stint and joined the Department of Justice as a civilian employee. Jim stayed on and made a career in the military. Thirty years later, both men are receiving federal longevity retired pay based on their careers. Both are also eligible for VA disability compensation as a result of the injuries they sustained while in the Army. The difference is that in order to get his disability compensation, Jim must forfeit an equal amount of his retired pay, while Joe collects the full amount of both benefits without a deduction in either.

Why should the individual who chose a military career be penalized? One benefit is based on longevity in a career, the other on an injury sustained while in the service. Joe in our example can even receive civil service retirement credit for his four years in the military. Yet, Jim is branded a "double dipper." This simply is not fair.

Nationwide, more than 400,000 disabled military retirees must give up their retired pay in order to receive their VA disability compensation. In effect, they must pay for their VA disability out of their military retirement -- something no other federal retiree must do. How can we possibly expect to maintain a viable national defense if service members realize that if they experience a service-connected disability, they cannot receive both VA disability compensation and military retired pay?

I have once again introduced legislation, H.R. 303, to eliminate this inequitable offset. My legislation has already received strong bipartisan support with over 200 cosponsors in the House of Representatives. **I am pleased to report that 18 members of the Budget Committee are cosponsors of H.R. 303. In the 106th Congress, 31 members of the Committee cosponsored my legislation.**

H.R. 303 is also strongly supported by the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, the Retired Officers Association, the Retired Enlisted Association, Uniformed Services Disabled Retirees, the Military Order of the Purple Heart, the Non-commissioned Officers Association, the Reserve Officers Association, the Fleet Reserve Association, the Air Force Sergeants Association, the National Military Family Association, the National Association for Uniformed Services, AMVETS, and the Jewish War Veterans.

Retirement pay is based on the number of years a servicemember has on active duty service and is earned for 20 years or more of faithful service. VA disability compensation was established to replace the loss of earnings attributable to a service-connected or service aggravated injury. Disability compensation also serves to compensate the disabled veteran for reduced ability to compete for civilian employment. Clearly, DOD retirement pay and VA disability benefits are vastly different. Yet, current law ignores any distinction.

The 106th Congress took the first steps toward addressing this inequity by authorizing the military to pay a monthly allowance to military retirees with severe service-connected disabilities rated by the Department of Veterans Affairs at 70 percent or greater. In this era of dramatic surplus projections, it would be unjust not to seize the opportunity to end the unfair practice of offsetting military retirement pay and VA disability compensation once and for all. We have a unique opportunity to show our gratitude to the men and women who have sacrificed so much for this great country of ours, and we must not squander it.

As the sponsor of H.R. 303, I strongly urge your Committee to include the budgetary authority necessary to remedy the inequitable offset of military retirement pay and VA disability compensation in the Fiscal Year 2002 Budget Resolution.