To amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation, and for other purposes.

IN THE SENATE OF THE UNITED STATES
JANUARY 9, 2017

Mr. HELLER (for himself and Mr. TESTER) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL
To amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Retired Pay Restoration Act”.

SEC. 2. ELIGIBILITY FOR PAYMENT OF BOTH RETIRED PAY AND VETERANS’ DISABILITY COMPENSATION FOR CERTAIN MILITARY RETIREES WITH COMPENSABLE SERVICE-CONNECTED DISABILITIES.

(a) Extension of Concurrent Receipt Authority to Retirees With Service-Connected Disabilities Rated Less Than 50 Percent.—Section 1414 of title 10, United States Code, is amended by striking paragraph (2) of subsection (a).

(b) Clerical Amendments.—

(1) The heading of section 1414 of such title is amended to read as follows:

“§ 1414. Members eligible for retired pay who are also eligible for veterans’ disability compensation: Concurrent payment of retired pay and disability compensation”.

(2) The item relating to such section in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

“1414. Members eligible for retired pay who are also eligible for veterans’ disability compensation: Concurrent payment of retired pay and disability compensation.”.
(c) Effective Date.—The amendments made by this section shall take effect on January 1, 2018, and shall apply to payments for months beginning on or after that date.

SEC. 3. COORDINATION OF SERVICE ELIGIBILITY FOR COMBAT-RELATED SPECIAL COMPENSATION AND CONCURRENT RECEIPT.

(a) Amendments To Standardize Similar Provisions.—

(1) Qualified retirees.—Subsection (a) of section 1414 of title 10, United States Code, as amended by section 2(a), is amended—

(A) by striking “a member or” and all that follows through “retiree’)’’ and inserting “a qualified retiree’’; and

(B) by adding at the end the following new paragraph:

“(2) Qualified retirees.—For purposes of this section, a qualified retiree, with respect to any month, is a member or former member of the uniformed services who—

“(A) is entitled to retired pay (other than by reason of section 12731b of this title); and
“(B) is also entitled for that month to veterans’ disability compensation.”.

(2) Disability retirees.—Paragraph (2) of subsection (b) of section 1414 of such title is amended to read as follows:

“(2) Special rule for retirees with fewer than 20 years of service.—The retired pay of a qualified retiree who is retired under chapter 61 of this title with fewer than 20 years of creditable service is subject to reduction by the lesser of—

“(A) the amount of the reduction under sections 5304 and 5305 of title 38; or

“(B) the amount (if any) by which the amount of the member’s retired pay under such chapter exceeds the amount equal to 2½ percent of the member’s years of creditable service multiplied by the member’s retired pay base under section 1406(b)(1) or 1407 of this title, whichever is applicable to the member.”.

(b) Effective date.—The amendments made by this section shall take effect on January 1, 2018, and shall apply to payments for months beginning on or after that date.