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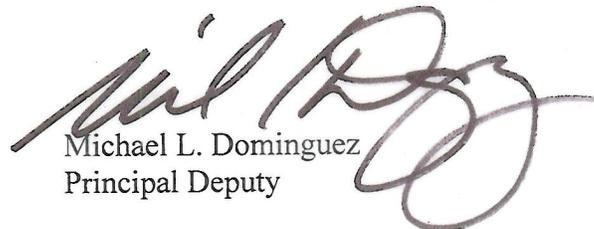
PERSONNEL AND  
READINESS

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (M&RA)  
ASSISTANT SECRETARY OF THE NAVY (M&RA)  
ASSISTANT SECRETARY OF THE AIR FORCE (MR)  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING  
SERVICE

SUBJECT: Supplemental Guidance on Combat-Related Special Compensation (CRSC)

Effective January 1, 2008, this memorandum supplements the implementing guidance for Combat-Related Special Compensation (CRSC), as issued by Principal Deputy, Under Secretary of Defense memoranda dated April 27, 2004 and May 21, 2003. The attached supplemental guidance is required as a result of enactment of section 641 of the National Defense Authorization Act for Fiscal Year 2008, Public Law 110-181, that made changes to the CRSC program (10 U.S.C. § 1413a). This change provides special rules for CRSC eligible retirees with fewer than 20 years of service who are retired under chapter 61 of title 10, United States Code. The change does not include a uniformed services Reserve Component retiree who receives retired pay for early retirement with physical disabilities under section 12731b of title 10, United States Code. Applications for eligibility for periods prior to January 1, 2008, will have eligibility determined under previously issued guidance.

Retired military members meeting the preliminary CRSC qualification criteria may apply to their parent Military Service immediately using DD Form 2860.

  
Michael L. Dominguez  
Principal Deputy

Attachment:  
As stated

cc:  
Assistant Secretary of Defense (Reserve Affairs)  
Joint Staff/J1  
Commandant (CG-1), U.S. Coast Guard  
Director, Office of Commissioned Corps Force Management,  
U.S. Public Health Service  
Director, National Oceanic and Atmospheric Administration Corps



# Combat-Related Special Compensation

## Combat-Related Special Compensation (CRSC) Section 1413a, Title 10, United States Code, As Amended Supplemental Program Guidance January 2008

**GENERAL:** Effective January 1, 2008, for applications on or after that date, this guidance supplements the PDUSD(P&R) Memoranda, dated April 21, 2004, and May 21, 2003. Applicants who were previously determined to be ineligible because they had not completed 20 years of creditable service must reapply, unless the service concerned advises otherwise.

**ENTITLEMENT:** As of January 1, 2008, section 641 of the National Defense Authorization Act for Fiscal Year 2008 (NDAA FY08), Public Law 110-181, provided special rules for CRSC eligible retirees with fewer than 20 years of service, to include members who have waived their retired pay in order to receive VA disability compensation. This expanded authority includes both Chapter 61<sup>1</sup> disability retirees and Temporary Early Retirement Authority (TERA) retirees. However, a uniformed services Reserve Component retiree who receives retired pay for early retirement with physical disabilities under section 12731b of title 10, United States Code, is specifically excluded under section 641.

**ENTITLEMENT EFFECTIVE DATE:** Qualifying applicants who have completed at least 20 years of service creditable for purposes of computing the amount of retired pay or who are entitled to retired pay for non-regular (reserve) under section 12731 (specifically excluding 12731b) of title 10, United States Code, will have their CRSC entitlement determined under provisions in effect at the time of their first eligibility.

The effective date for CRSC applicants who qualify based upon the expanded authority under section 641 of the NDAA FY08, is either January 1, 2008, or the date of the qualifying VA disability award determined to be combat-related, whichever is later.

**TEMPORARY EARLY RETIREMENT AUTHORITY (TERA) RETIREES:** Otherwise qualifying applicants who are entitled to retired pay under the TERA authority of Public Law 102-484, § 4403, as amended, are now entitled to CRSC. The monthly amount of CRSC payable to qualifying TERA retirees shall not be reduced under the special rules for CRSC entitled retirees with less than 20 years of service which are applicable only to Chapter 61 retirees.

**SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES:** The CRSC entitlement of qualifying applicants receiving retired pay based on Department of Defense assigned percentage of disability under Chapter 61 of title 10, United States Code, is subject to reduction up to the full CRSC amount. The CRSC reduction shall be the amount, if any, by which the Chapter 61 retiree's retired pay based on percentage of disability exceeds either the retired pay that would have been paid for 20 or more years of service, or, for those with less than 20 years of service, the longevity equivalent. This

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<sup>1</sup> 10 U.S.C. §§ 1201-1222.

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reduction represents the additional retired pay awarded by the Department solely by reason of the disability. It is duplicative of the disability compensation awarded by the Department of Veterans Affairs and therefore is applied to reduce the CRSC payment.

**CHAPTER 61 DISABILITY RETIREES WITH 20 OR MORE YEARS OF SERVICE:** Qualifying applicants who are receiving retired pay based on a percentage of disability under Chapter 61, who have 20 years or more service creditable for purposes of computing the amount of retired pay (see section 1208 of title 10, United States Code) and who initially apply for CRSC on or after January 1, 2008, shall have their CRSC entitlement reduced by the amount, if any, that the retired pay under Chapter 61 exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based on the member's service in the uniformed services if the member had not been retired under Chapter 61. Applicants who accepted the Career Status Bonus will have the reduced amount calculated based on retired pay that would otherwise have been computed under section 1409(b)(2) of title 10, United States Code.

**CHAPTER 61 DISABILITY RETIREES WITH FEWER THAN 20 YEARS OF SERVICE:** Qualifying applicants who are receiving retired pay based on a percentage of disability under Chapter 61, who have fewer than 20 years of service creditable for purposes of computing the amount of retired pay (see section 1208 of title 10, United States Code) and who initially apply for CRSC on or after January 1, 2008, shall have their CRSC entitlement reduced by the amount, if any, resulting from the following formula:

Member's disability retired pay under chapter 61 less the amount equal to 2½ percent times the years of creditable service multiplied by the member's applicable retired pay base.

The years of creditable service are those described in section 1208 of title 10, United States Code. The applicable retired pay base for an applicant who first became a member before September 8, 1980, is the pay base described in the table under section 1406(b)(1) of title 10 United States Code, for a member entitled to disability retired pay. The retired pay base for an applicant who first became a member on or after September 8, 1980, is the member's high 36 months of basic pay as determined under section 1407 of title 10, United States Code.

In some cases, where the Chapter 61 disability retired pay is based on a relatively high percentage of disability and the years of creditable service are relatively few, the computation may result in little or no CRSC due.

**CHAPTER 61 DISABILITY RETIREE OUT-YEAR DEDUCTIONS:** In all cases, once established (based on date the member was first placed on either the Permanent or Temporary Disability Retirement List), the CRSC reduction amount will be increased by each increase in the retired pay cost of living allowance (COLA). It will not be

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recomputed using current pay tables unless the member otherwise qualifies for recomputation of retired pay by reason of recall to duty or correction of official records.

**CLAIMS FOR CRSC:** Applications must be submitted using a DD Form 2860 in accordance with prescribed procedures and criteria. Members may submit an application for CRSC at any time. To the extent otherwise authorized by law, an eligible, qualified applicant will be paid retroactive CRSC for any month after May 2003, in which all conditions of eligibility were met.