



MANPOWER AND
RESERVE AFFAIRS

ASSISTANT SECRETARY OF WAR
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WASHINGTON, D.C. 20301-4000

MAY 14 2026

MEMORANDUM FOR UNDER SECRETARY OF WAR (COMPTROLLER)/CHIEF
FINANCIAL OFFICER OF THE DEPARTMENT OF WAR
ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS
FOR MANPOWER AND RESERVE AFFAIRS
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Combat-Related Special Compensation Effective Dates Recission

On March 2, 2026, the Under Secretary of War for Personnel and Readiness (USW (P&R)) announced a review of the Department's Combat-Related Special Compensation (CRSC) policy and statutory authorities. In conjunction with that review and to facilitate its implementation, this memorandum rescinds the guidance on effective dates for CRSC claims filed after August 20, 2025, found in the following memoranda:

- Assistant Secretary of Defense for Manpower and Reserve Affairs (ASD (M&RA)) memorandum of August 20, 2025, subject "Interim Guidance on Combat-Related Special Compensation Determinations Pursuant to the United States Supreme Court Decision in *Soto v. United States* and on Effective Dates of Combat-Related Special Compensation Determinations."
- Assistant Secretary of War for Manpower and Reserve Affairs (ASW (M&RA)) memorandum of January 30, 2026, subject "Clarifying Guidance on Effective Dates of Combat-Related Special Compensation Determinations Pursuant to ASD (M&RA) Memorandum of August 20, 2025."

In accordance with the Supreme Court's decision in *Soto v. United States*, the effective date of all CRSC claims, regardless of date filed, is the first date on which all of the following are true:

- The member was eligible for military retired pay;
- The member was in receipt of Department of Veterans Affairs (VA) disability compensation and there was a reduction of military retired pay due to the member's waiver of retired pay to receive VA disability compensation; and
- The member met at least one of the criteria in section 1413a(e) of title 10, United States Code (10 U.S.C. § 1413a(e)).

In accordance with 10 U.S.C. § 1413a, the following limitations of effective dates apply:

- If the member completed at least 20 years of service in accordance with 10 U.S.C. § 1405 or is a non-regular retiree (Reserve) with 7,200 or more points under 10 U.S.C. § 12733 and has a combined VA disability rating of at least 10 percent and has been awarded a Purple Heart or has a combined VA disability rating of at least 60 percent if they have not been awarded a Purple Heart, the effective date is no earlier than June 1, 2003; or
- If the member is a non-regular retiree receiving retired pay under 10 U.S.C. § 12731 by any reason other than 10 U.S.C. 12731b, the effective date is no earlier than January 1, 2004; or
- If the member was retired under any authority other than those described above and not by reason of 10 U.S.C. 12731b, the effective date is no earlier than January 1, 2008.

The Secretaries of the Military Departments will, in a timely manner:

- Review the records of all CRSC recipients impacted by the guidance rescinded above;
- Determine the appropriate CRSC effective date for those members, modify CRSC decisional documents to reflect the corrected effective dates for members' claims, and provide members with updated copies of decision documents; and
- Provide DFAS documentation of the original effective date, the corrected effective date, and the member's entitlement to CRSC, listing all determinations.

The Director, DFAS will:

- Compute the amount of retroactive CRSC payments due to impacted members as a result of the data provided by the Military Departments as described above;
- Notify impacted members, in a timely manner, of changes to their entitlement as result of this memorandum; and
- Process, in a timely manner, payments of retroactive CRSC for impacted members.

If you have any questions or concerns regarding this guidance, please contact my representatives in the office of Military Compensation and Financial Readiness at osd.pentagon.ousd-p-r.mbx.compensation-questions@mail.mil.



Timothy D. Dill