

Combat Related Special Compensation (CRSC)

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CRSC is one of two forms of concurrent receipt. CRDP, Concurrent Retirement Disability Pay, is the other form. Concurrent receipt is the restoration of Service retired pay that's docked due to receipt of VA disability compensation. Or in other words, concurrent receipt reimburses you what the VA Waiver removes from your retired pay. You are allowed to accept one form of concurrent receipt or the other but not both.

CRSC is the combat-related version of concurrent receipt unlike CRDP which is not combat-related. CRSC is tax-free; CRDP is not. You must apply to your Service for CRSC. The Services determine what proportion of your VA disability rating is combat-related.

Why would anyone who qualifies for CRSC take CRDP instead since CRSC is tax-free? Because it is not unusual for the combat-related rating to be lower than the VA rating. The Service may determine for example that only 30% of the disabilities in your 70% VA rating are combat-related. A 70% CRDP concurrent receipt payment may put more money in your pocket, even with taxes, than a 30% CRSC tax-free payment.

Members with CRSC receive three separate payments each month. One is the Service retirement pay with the full VA waiver deducted. One is full VA compensation. And the third pay check is the CRSC tax-free payment.

History

The FY 2003 National Defense Authorization Act (NDAA) (P.L. 107-314, sec. 636) authorized CRSC for certain retirees with combat- or operations-related disabilities. The FY 2003 authority provided combat related special compensation (CRSC) to those retirees with qualifying disabilities rated at 60% or higher, and to those retirees with disabilities (regardless of disability level) associated with the award of a Purple Heart decoration.

The 2004 NDAA expanded CRSC to include all combat- or operations-related disabilities, effective January 1, 2004—regardless of disability level (10% to 100% ratings), effective January 1, 2004.

The 2008 National Defense Authorization Act (NDAA) signed into law on January 28, 2008 expands eligibility of CRSC to anyone receiving military retired pay. This includes: Medical

Chapter 61, Temporary Early Retirement Act (TERA) and Temporary Disabled Retirement List (TDRL) retirees. These new eligible components for CRSC went into effect January 1, 2008.

CRSC Eligibility

The initial Combat-Related Special Compensation (CRSC) rules, which limited eligibility to disabilities associated with a Purple Heart and combat- or operations-related disabilities of 60-100% have been expanded to include all combat-related disabilities from 10-100%, regardless of Purple Heart status.

Combat- and operations-related disabilities that qualify have an assigned medical diagnosis code from the VA Schedule for Rating Disabilities (VASRD) that was incurred either:

- As a direct result of armed conflict;
- While engaged in hazardous service (e.g., flight, diving, parachute duty);
- In the performance of duty under conditions simulating war (exercises, field training);
- Through an instrumentality of war (combat vehicles, weapons, Agent Orange, etc.)

Note: Certain disabilities will be presumed to be combat-related when the VA disability rating form indicates that the VA rating for the disability is based on one of these presumptions: disabilities rated by the VA on the basis of exposure to radiation, mustard gas or lewisite, Agent Orange, and those associated with Persian Gulf service. Post-Traumatic Stress Disorder (PTSD) must be evaluated by the member's Service to determine if it is combat-related.

-- The retiree's parent Military Service will determine which disabilities qualify under the above criteria. Retirees must apply to their parent Service. CRSC will not be paid for disabilities that are not combat- or operations-related.

To qualify for either CRDP or CRSC the retiree must have signed a VA waiver of retirement pay and be receiving VA disability compensation in lieu of some or all of his/her retired paycheck. Retirees are not eligible if they have waived military retired pay to credit military service toward their civil service retirement (unless they subsequently unbundled their retirement), or for any other reason, other than to receive VA disability compensation.

Are Reservists and National Guard eligible?

Yes, all Reserve or National Guard are eligible if you have 20 years of creditable service OR you are a permanent medical retiree OR you are a TERA retiree who is:

- receiving military retired pay, and
- who has a 10% or greater VA rated injury and
- whose military retired pay is reduced by VA disability payments (VA Waiver)

The previous CRSC requirement to have at least 7200 retirement points no longer applies as of January 1, 2004. Grey area retirees become eligible for CRSC at age sixty when they begin to receive retired pay.

Are Temporary Early Retirement Authority (TERA) retirees eligible?

TERA and TDRL retirees are eligible for CRSC.

Are Chapter 61 retirees (medical retirees) eligible?

Yes. Chapter 61 retirees who have more or less than 20 years of service are eligible for CRSC. However, the CRSC entitlement is based solely on the longevity portion of the retired pay; not the disability portion of retired pay. Retirees will not be reimbursed to the total level of their service-awarded disability retirement. A general way to determine what portion of your retired pay is for longevity is to multiple your years of service times 2.5%. For example, 2.5% times 5 years is 12.5%. 12.5% of your retired pay is longevity, the rest is disability pay.

Are surviving spouses eligible?

CRSC does not apply to survivors. The new law deals only with the offset of retired pay from VA disability compensation.

However, if the service member passes/has passed away after the law went into effect, the estate should be able to file for compensation due between the effective date and the date of the passing.

Are former spouses eligible?

CRSC is considered "special compensation" and not retired pay, it is not subject to the Uniformed Services Former Spouse Protection Act (USFSPA).

Applying for CRSC

To apply, you must complete this application form and attach all supporting documentation. The links below take you to the Service web site for making a CRSC application. The sites provide eligibility criteria, detailed instructions, and explain support documentation requirements. The Army site has hints on how best to prepare your package. These can work for any Service. The forms have the mailing addresses for each Service.

The Service sites are:

- Army: <https://www.hrc.army.mil/TAGD/CRSC> (click on "Continue to this web site" if the security page pops-up.)
- Navy/USMC: <http://www.secnav.navy.mil/mra/CORB/pages/crsccb/default.aspx>
- Air Force: <http://www.afpc.af.mil/Combat-Related-Special-Compensation>
- USCG/NOAA/USPHS: <http://www.uscg.mil/ppc/ras/CRDP-CRSC-News.asp>

The National Veterans Legal Services Program (NVLSP) has a program to provide free legal representation to *medical retirees* who are interested in applying for Combat-Related Special Compensation (CRSC). For assistance with your CRSC claim, contact the NVLSP by going to their [site here](#).

Open Season

Retirees eligible under both CRDP and CRSC criteria have to choose between the two forms of compensation. Recipients have the option each year to choose the more advantageous option since CRDP payment amounts increase each year until the year 2014 when CRDP is fully implemented. The Defense Finance and Accounting Service (DFAS) or your pay agent mails you an Open Season letter each December for you to make the choice.

CRSC Payment Process

If you receive CRSC, most members receive three separate payments; your Service retired pay with a VA Waiver amount, your CRSC payment, and your VA compensation. The VA Waiver remains on the retiree pay stub and the CRSC pay restores the combat-related portion of the money deducted by the VA Waiver.

Some members may receive two payments if your VA Waiver amount totally offsets your retired pay. In this case, you will receive VA compensation and CRSC. CRSC pay restores the combat-related portion of the money deducted by the VA Waiver.

CRSC is not reflected on your retired pay stub. CRSC is a separate payment deposited to the same account where you receive your retired pay or direct deposit.

CRSC is not taxable based on current law regarding taxability of disability income.

Retirees to Receive Monthly CRSC Statements

For DOD members, DFAS-MyPay account holders receive monthly detailed information regarding CRSC payments, including disability ratings, unemployability, Purple Heart indicators, and other entitlement data. All other DOD retirees may continue to contact the Retired and Annuitant Contact Center by calling 1-800-321-1080. For USCG, NOAA and PHS officers, you have to call your pay agent if you want pay details.