

VOLUME 7B, CHAPTER 63: “COMBAT RELATED SPECIAL COMPENSATION (CRSC)”

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **December 2013** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and reformatted to comply with current administrative instructions.	Revision
630403.A	Added reference to Chapter 1, subparagraph 010208.F, for information on when the eligibility age of a reservist shall be reduced below 60 years of age and become eligible for retired pay.	Addition

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CHAPTER 63

COMBAT RELATED SPECIAL COMPENSATION (CRSC)

6301 GENERAL

630101. Purpose

Combat-Related Special Compensation (CRSC) provides special compensation to members of the uniformed services who have retired pay reduced **because** of receiving U.S. Department of Veterans Affairs (VA) disability compensation where a portion of such VA disability compensation is the result of disabilities that are combat-related as determined by the Military Department.

A. Effective Date. The CRSC program became effective May 31, 2003. Payments are made on the first day of the first month following the month in which the compensation accrued, provided the member is receiving VA disability compensation for a disability that has been determined to be combat-related by the Military Department. No CRSC is payable for any month prior to June 2003.

1. For a member who qualifies on **May 31, 2003**, compensation accrues beginning in June 2003.

2. For an eligible member whose disability percentage is less than 60 percent, compensation is effective January 1, 2004.

3. For an eligible member who is retired under **10 United States Code (U.S.C.), Chapter 61** with less than 20 years of active duty or with less than sufficient service and age to qualify for retirement under **10 U.S.C. 12731**, compensation is effective January 1, 2008.

4. For a member who did not meet the qualifications on June 1, 2003, January 1, 2004, or January 1, 2008, but who later meets the qualifications, entitlement accrues the first day of the following month.

B. Funding and Payment. CRSC is not military retired pay. It is a monthly entitlement that is paid only in whole-month increments. Prior to October 1, 2003, CRSC was payable from funds appropriated for pay and allowances payable by the Secretary of the Military Department concerned (or designee) for that fiscal year. Effective October 1, 2003, the source of funding is the Department of Defense (DoD) Military Retirement Fund.

C. Relationship to Other Provisions

1. Uniformed Services Former Spouse's Protection Act (USFSPA). CRSC is not retired pay, and it is not subject to the provisions of **10 U.S.C. 1408** relating to payment of retired or retainer pay in compliance with court orders.

2. Survivor Benefit Plan. CRSC is not retired pay and is also not subject to any survivor benefit provisions under 10 U.S.C., Chapter 73.

3. Debt Collection. CRSC is subject to a Treasury offset to recover a debt owed to the United States as well as to garnishment for child support or alimony. In addition, debts due the government may be collected from CRSC, including overpayments of retired pay or erroneous payments of CRSC, by means of an administrative offset. An administrative offset of CRSC to collect a debt due the government is subject to the due process requirements of 31 U.S.C. 3716 and 31 Code of Federal Regulations, part 901. Claims for overpayments of CRSC may be considered for waiver in accordance with 10 U.S.C. 2774. Finally, CRSC payments are not subject to Chapter 13 Bankruptcy Court orders to pay a Chapter 13 Trustee.

D. Tax Consideration

CRSC payments are considered tax exempt from Federal income tax under provisions of 26 U.S.C. 104.

630102. Authoritative Guidance

[Authoritative guidance information for this chapter is located in the bibliography.](#)

6302 ENTITLEMENT

630201. Monthly Entitlement

CRSC is a monthly entitlement and is to be paid only in whole-month increments. A member must file an application with the Military Department from which the member retired to determine entitlement. A retiree is entitled to CRSC for each month during which, for the entire month, the member:

- A. Has applied for and elected CRSC under these provisions (section 6303),
- B. Meets Preliminary CRSC Criteria (section 6304), and
- C. Meets Final CRSC Criteria (section 6305) (that is, has a combat-related disability or disabilities).

630202. Expanded Eligibility in 2008

As of January 1, 2008, section 641 of the National Defense Authorization Act (NDAA) Fiscal Year (FY) 08, 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 10 U.S.C., Chapter 61 (10 U.S.C. 1201-1222) 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 [10 U.S.C. 12731b](#) is specifically excluded from entitlement to CRSC by [10 U.S.C. 1413a\(c\)\(1\)](#).

6303 APPLICATION AND ELECTION

630301. Application and Election

A member may not be paid CRSC unless he or she has applied for and elected to receive compensation under the CRSC program by filing an application on Department of Defense (DD) Form 2860, Claim For Combat-Related Special Compensation (CRSC), with the Military Department from which he or she retired. A member may submit an application for CRSC at any time and, if otherwise qualified for CRSC, compensation will be paid for any month after May 2003 for which all conditions of eligibility were met.

630302. Election of CRSC or Concurrent Retirement and Disability Payments (CRDP)

The law states that a member eligible for both CRSC, under 10 U.S.C. 1413a, and CRDP, under [10 U.S.C. 1414](#), may not receive both, but must elect which compensation to receive. Defense Finance and Accounting Service (DFAS)-Cleveland Site will advise the member which of the two payments is being paid pursuant to such election. In addition, DFAS-Cleveland Site will provide further notice in the event the amounts payable under either program results in a situation where a change in this election would result in greater compensation. The member will have one opportunity annually to reverse the current election. This will allow the member to assess the impact of annual adjustments to retired pay, VA disability compensation, CRSC, and CRDP. DFAS-Cleveland Site will advise members of their options and the procedures to effect such elections. See also Section 6405 for more information.

6304 PRELIMINARY CRITERIA

A retired member of the Uniformed Services must satisfy the following applicable conditions to meet the Preliminary Criteria to receive CRSC.

630401. Years of Service Requirement

A. On or after January 1, 2004. A retired member must have had 20 or more years of service for the purpose of computing retired pay.

B. January 1, 2004 through December 31, 2007. Beginning January 1, 2004 and prior to January 1, 2008 a retired member must have had 20 or more years of service for the purpose of computing retired pay or have been entitled to Reserve Component retired pay under 10 U.S.C. 12731 (other than by reason of section 12731b) to be eligible for CRSC.

C. Before January 1, 2008. For the purposes of both subparagraphs A and B the following apply:

1. Years of Service for Percentage Multiplier. The 20 years of service required for computing retired pay may be inferred from the retired pay multiplier. Thus, a member who retired for years of service (not for disability under 10 U.S.C., Chapter 61) who has a retired pay multiplier of not less than 50 percent, or a member retired under the Military Retirement Reform Act of 1986 (referred to as REDUX) who is still under age 62 with a retired pay multiplier of not less than 40 percent, may be presumed to have at least 20 years of service for retired pay computation purposes. A member who retired under 10 U.S.C., Chapter 61 should be evaluated in terms of what the multiplier would be if the member had not retired for disability. See subparagraph C.4.

2. Temporary Early Retirement Authority (TERA). A member retired under the provisions of section 4403 of [Public Law 102-484](#), October 23, 1992, as amended, and by section 504 of [Public Law 112-81](#), December 31, 2011 (commonly known as the TERA program) is generally not eligible unless the member is credited with sufficient service for a 50 percent multiplier or has been recalled to active duty long enough to accumulate 20 years or more of service in the Uniformed Services for the purpose of computing retired pay. Service in Public and Community Service positions under the provisions of section 4403 of Public Law 102-484, October 23, 1992 creditable for re-computation of retired pay at age 62 does not count for these purposes. A TERA retiree who has a retired pay increase of 10 percent granted on the basis of extraordinary heroism is not eligible under these provisions if the retired pay multiplier would otherwise be less than 50 percent.

3. Retired Reservist. Prior to January 1, 2004, a retired reservist had to have at least 7,200 points to be eligible for CRSC. Effective January 1, 2004, a retired Reservist with retired pay computed under 10 U.S.C. 12731 is eligible for CRSC unless retired for disability under 10 U.S.C. 12731b with more than 15 but less than 20 years as required under 10 U.S.C. 12731(a)(2). Specifically, those retired under the Reserve TERA provisions, as prescribed in [10 U.S.C. 12731a](#), who served fewer than 20 years, but were considered to meet the criteria of 10 U.S.C. 12731(a)(2) are eligible under these provisions.

4. Chapter 61 Disability Retirees. CRSC is payable to otherwise qualifying applicants receiving retired pay based on the DoD-assigned percentage of disability under 10 U.S.C., Chapter 61. For such members, the CRSC payment is subject to reduction as explained in paragraph 630803.

D. On or After January 1, 2008. A retired member who meets the criteria of paragraphs 630402 through 630404 satisfies the preliminary criteria to receive CRSC, without regard to having 20 or more years of creditable service for computing retired pay.

1. Chapter 61 Disability Retirees. A member retired for disability under 10 U.S.C., Chapter 61, with less than 20 years of service is eligible to receive CRSC, subject to reduction under subparagraph 630803.B.

2. TERA. A member retired under the provisions of section 4403 of Public Law 102-484, October 23, 1992, as amended, and by section 504 of Public Law 112-81, December 31, 2011 (commonly known as the TERA program) is entitled to CRSC. The monthly

amount of CRSC payable to qualifying TERA retirees shall not be reduced under the special rules for CRSC-entitled disability retirees with less than 20 years of service which are applicable only to Chapter 61 retirees.

630402. Retired Status

A member must be in a retired status (i.e., on the retired rolls), or have been transferred to the Fleet Reserve or Fleet Marine Corps Reserve. A member who is recalled to, or retained on, active duty is not in a retired status and therefore is not entitled to CRSC for such period of active duty.

*630403. Entitled to Retired Pay

* A. A member must be entitled to retired pay, notwithstanding that such retired pay may be reduced due to receipt of VA disability compensation. [A reservist who has not reached the requisite age to receive retired pay \(generally age 60\) is not eligible to receive CRSC payments. See Chapter 1, subparagraph 010208.F, for when the eligibility age of a reservist shall be reduced below 60 years of age and become eligible for retired pay.](#)

B. A member who waives retired pay in order to credit military service for the purposes of establishing eligibility for a civil service retirement, or for any reason other than to receive disability compensation from the VA, is not eligible to receive CRSC payments. A member who combines his military time with his civil service time for the sole purpose of enhancing his civil service retirement may be eligible for CRSC, if the member is still eligible to receive military retired pay. Members should consult the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) Handbook for Personnel and Payroll Offices for further information on eligibility. See also <https://www.opm.gov/retire/pubs/handbook/hod.htm>.

630404. Qualifying Disability Ratings (Percentages)

A. A member must be entitled to compensation for service-connected disabilities under [Title 38, U.S.C.](#), as rated by VA. The rating must be awarded prior to the member's date of death.

B. Disability ratings by the Secretary of the Military Department concerned (or designee), as of the date on which the member retired, may be used to help make determinations of whether the member meets Preliminary CRSC Criteria. The actual computation of the amount of CRSC payable to an eligible retiree is based solely on VA disability determinations and the amount of VA compensation paid, without regard to any disability that is not combat-related. Military retirement decisions may be used to determine whether such disabilities are combat-related.

6305 FINAL CRITERIA

In order for the member to be entitled to CRSC, the member must meet all four

Preliminary CRSC Criteria (as prescribed in paragraphs 630401 through 630404), and the appropriate Service must determine that the member has a combat-related disability or disabilities, as defined by 630501 and 630502, that are compensated by the VA.

630501. Purple Heart Disability

A. Purple Heart Disability is a disability with an assigned medical diagnosis code from the VA Schedule for Rating Disability (VASRD) that was attributed to injuries for which the member was awarded a Purple Heart.

B. If the member meets the Preliminary CRSC Criteria and has been awarded a Purple Heart, then the Military Department must determine which disabilities of the member, if any, are attributed to Purple Heart injuries. If the member was not awarded a Purple Heart, then no such determination will be made.

C. Determination that a disability is a Purple Heart Disability requires documentary information that there is a sufficient causal relationship between the disability and injury for which a Purple Heart was awarded to conclude that the disability is attributable to such injury. Such a disability will be classified as a Purple Heart Disability and will also be included in any other CRSC determinations based on combat-related disabilities. With respect to an application of a retiree who meets Preliminary CRSC Criteria and who was awarded the Purple Heart, the Military Department will record whether or not each disability rated by the VA is or is not attributable to an injury for which the member was awarded the Purple Heart.

630502. Other Combat-Related Disabilities

A combat-related disability is a disability with an assigned medical diagnosis code from VASRD that was incurred. The Military Departments will determine whether a disability is combat-related based on the following criteria:

- A. As a direct result of armed conflict,
- B. While engaged in hazardous service,
- C. In the performance of duty under conditions simulating war, or
- D. Through an instrumentality of war.

The Department shall record for each disability determined to be combat-related which of the circumstances provided above qualifies the disability as combat-related. A determination of combat-relatedness (see section 6306) will be made with respect to each separate disability with an assigned medical diagnosis code from the VASRD. A retiree may have disabilities that are not combat-related. Such disabilities will not be considered in determining eligibility for CRSC or the amount of CRSC payable. An uncorroborated statement in a record that a disability is combat-related will not, by itself, be considered determinative for purposes of meeting the

combat-related standards for CRSC prescribed herein. CRSC determinations must be made on the basis of the program criteria.

6306 DETERMINATIONS OF COMBAT-RELATEDNESS

The following criteria, terms, definitions, and explanations will apply to making combat-related determinations in the CRSC Program.

630601. Direct Result of Armed Conflict

A. The disability is a disease or injury incurred in the line of duty as a direct result of armed conflict. To support a combat-related determination it is not sufficient to only state the fact that a member incurred the disability during a period of war, or in an area of armed conflict or while participating in combat operations. There must be a definite causal relationship between the armed conflict and the resulting liability.

B. Armed conflict includes a war, expedition, occupation of an area or territory, battle, skirmish, raid, invasion, rebellion, insurrection, guerilla action, riot, or any other action in which Service members are engaged with a hostile or belligerent nation, faction, force, or with terrorists.

C. Armed conflict may also include such situations as incidents involving a member while interned as a prisoner of war or while detained against his or her will in custody of a hostile or belligerent force, or while escaping or attempting to escape from such confinement, prisoner of war, or detained status.

630602. While Engaged in Hazardous Service

Hazardous service is service that includes, but is not limited to, aerial flight, parachute duty, demolition duty, experimental stress duty, and diving duty. A finding that a disability is the result of such hazardous service requires that the injury or disease be the direct result of actions taken in the performance of such service. Travel to and from such service, or actions incidental to a normal duty status not considered hazardous, are not included.

630603. In the Performance of Duty Under Conditions Simulating War

In general, performance of duty under conditions simulating war covers disabilities resulting from military training, such as war games, practice alerts, tactical exercises, airborne operations, leadership reaction courses, grenade and live fire weapon practice, bayonet training, hand-to-hand combat training, repelling, and negotiation of combat confidence and obstacle courses. It does not include physical training activities such as calisthenics, jogging, formation running, or supervised sport activities.

630604. Instrumentality of War

A. There must be a direct causal relationship between the instrumentality of war and the disability. It is not required that a member's disability be incurred during an actual period of war. The disability must be incurred incident to a hazard or risk of the service.

B. An instrumentality of war is a vehicle, vessel, or device designed primarily for Military Service and intended for use in such Service at the time of the occurrence or injury. It may also include such instrumentality not designed primarily for Military Service if use of or occurrence involving such instrumentality subjects the individual to a hazard peculiar to Military Service. Such use or occurrence differs from the use or occurrence under similar circumstances in civilian pursuits.

C. A determination that a disability is the result of an instrumentality of war may be made if the disability was incurred in any period of service as a result of such diverse causes as wounds caused by a military weapon, accidents involving a military combat vehicle, injury or sickness caused by fumes, gases, or explosion of military ordnance, vehicles, or materiel.

D. For example, if a member is on a field exercise, and is engaged in a sporting activity and falls and strikes an armored vehicle, then the injury will not be considered to result from the instrumentality of war (armored vehicle) because it was the sporting activity that was the cause of the injury, not the vehicle. On the other hand, if the individual was engaged in the same sporting activity and the armored vehicle struck the member, then the injury would be considered the result of an instrumentality of war.

6307 SPECIAL MONTHLY COMPENSATION (SMC)

630701. General

Special Monthly Compensation (SMC), under [38 U.S.C. 1114](#), is payable for service-connected disabilities caused by each anatomical loss or loss of use of specific organs or parts of the body. SMC is payable in addition to the basic rate of compensation otherwise payable on the basis of degree of disability, provided that the combined rate of compensation does not exceed the monthly rate set forth in 38 U.S.C. 1114(k).

630702. Special Determination

Each Military Department will make a special determination regarding whether a member entitled to CRSC who also receives SMC from the VA under 38 U.S.C. 1114(k) through (s) could receive increased CRSC as a result of a SMC determination. The Military Department will first determine whether all their VA-compensated disabilities have been determined to be combat-related disabilities under the CRSC program. For members with VA-compensated disabilities that are both combat-related and not combat-related, the Military Department will classify each award of SMC as either Combat-Related Special Monthly Compensation (CR-SMC) or not (Non-CR-SMC), consistent with the corresponding determination of the diagnostic

codes on which the SMC is based. DFAS-Cleveland Site will be notified of all such determinations. DFAS-Cleveland Site will include any CR-SMC in CRSC computations.

630703. Grades Not Requiring SMC Determinations

The Military Department need not make a combat-related determination for any member who would not receive added compensation even if SMC was determined to be combat-related. Any SMC on such member will be passed to DFAS as “undetermined combat-relatedness.”

6308 CRSC AMOUNT

The monthly amount of CRSC is equal to the full monthly amount prescribed in paragraph 630801, reduced as prescribed in paragraph 630802 and limited in accordance with paragraph 630803.

630801. Gross Monthly Amount

The monthly amount of disability compensation the member would be paid by the VA under the provisions of Title 38, U.S.C. if compensated solely for the disabilities determined to be attributable to an injury for which the member received the Purple Heart or determined to be otherwise combat-related. See section 6305. Applicable compensation is set forth in [38 U.S.C., chapter 11](#).

Example: A member with a spouse and two children has qualifying combat-related disabilities rated at 100 percent by the VA. The member’s current monthly VA benefit amount is \$3,264 – the prescribed rate for a 100 percent disability for a veteran with a spouse and two children as of December 1, 2012. The gross monthly amount for CRSC purposes is based on this full rate and not just the veteran-alone amounts as applied to CRSC for periods on or after January 1, 2004.

A. Compensation of Dependents. Additional compensation for dependents is to be included as part of any applicable CRSC compensation. DFAS will use the same dependency rates for the combat-related compensation as VA uses to determine the member’s full disability compensation. For example, if a member is compensated by VA at the 100 percent disability rate for a veteran with spouse and one child and the combat-related percentage is 60 percent, then the gross CRSC will be determined as the 60 percent rate for a veteran with a spouse and one child. The rates of such compensation are set forth in [38 U.S.C. 1115](#).

B. Special Monthly Compensation (SMC). The amount of SMC will be considered as part of gross CRSC compensation only if the SMC is paid on the basis of disabilities determined by the Military Department to be combat-related. See section 6307.

C. Retired Members Considered Unemployable. DFAS shall coordinate with VA to ascertain whether a member is compensated by VA under 38 U.S.C. 1114(j) by virtue of a rating of Individual Unemployability (IU) on the basis of being unemployable under the provisions of [38 CFR 4.16](#) or [4.18](#), for any member whose current combined combat-related

disability percentage is 60 percent or greater. Such member shall be given a combined gross CRSC disability, which is rated as total or 100 percent.

630802. Adjusted Amount

The CRSC payment may not exceed the current reduction in retired pay applicable to the retiree under [38 U.S.C. 5304](#) and [5305](#). Thus, CRSC is not payable if there is no reduction because the member is not receiving any monthly disability compensation from VA, or because the member is not receiving retired pay (such as a reserve member before reaching retirement age at 60 or other reduced retirement age) or for other reasons (such as a member who waives military retired pay in order to credit military service for a civil service retirement). The amount of a member's CRSC entitlement will be adjusted to be the lesser of the gross CRSC from paragraph 630801 or the reduction to the retired pay entitlement.

Example: The member, described in 630801 is retired after 22 years of service with a high-three pay base of \$3,000, resulting in retired pay of \$1,650 monthly (55 percent of \$3,000). The potential retired pay of \$1,650 is reduced to \$0 by receipt of the VA disability compensation. Thus the adjusted amount of CRSC is the \$1,650 reduction in retired pay since it is less than the gross amount of \$3,264 determined in the example in paragraph 630801.

630803. CRSC Payment Reduction for 10 U.S.C., Chapter 61 Disability Retirees

The adjusted monthly amount specified in paragraph 630802 will be reduced according to the provisions of subparagraph 630803.A or 630803.B, whichever is applicable.

A. Reduction for periods prior to January 1, 2013

1. Chapter 61 Disability Retirees With 20 or More Years of Service.

Members retired for disability under 10 U.S.C., Chapter 61 with 20 or more years of creditable service computed under section [10 U.S.C. 1208](#) will have the maximum CRSC payment reduced by the amount, if any, by which the amount of the member's gross retired pay under Chapter 61 exceeds the applicable retired pay to which the member would otherwise have been entitled under any other provisions of law. A retiree who accepted the Career Status Bonus will have the reduced amount calculated based on retired pay that would otherwise have been computed under [10 U.S.C. 1409\(b\)\(2\)](#).

Example: The member described in 630802, who would have received \$1,650 in retired pay had he retired for his years of service, was retired under 10 U.S.C., Chapter 61 with a disability rated at 60 percent. Thus, the member receives retired pay of \$1,800 monthly (60 percent of \$3,000). However, in this case, the member has a combined VA rating of 100 percent, but combat-related disabilities rated at 60 percent. The member's current monthly VA benefit amount is \$3,264, of which \$1,365 is combat-related. The member has a total offset of retired pay. The maximum CRSC entitlement under paragraphs 630801 and 630802 is \$1,365. The maximum CRSC entitlement will be reduced by the difference in the Chapter 61 retirement and the longevity retirement amounts, or \$150 (\$1,800 less \$1,650). This reduction reflects the amount by which the member's disability retired pay exceeds his or her longevity retired pay.

The member's CRSC benefit of \$1,365 is reduced by \$150 to \$1,215. In this case, the member will receive \$3,264 from the VA and \$1,215 in CRSC from DoD.

2. Chapter 61 Disability Retirees With Fewer Than 20 Years of Service. Members retired for disability under 10 U.S.C., Chapter 61 with less than 20 years of creditable service computed under 10 U.S.C. 1208 and who initially qualify for CRSC on or after January 1, 2008, will have the maximum CRSC payment reduced by the amount, if any, by which the amount of the member's gross retired pay under Chapter 61 exceeds the amount that is equal to 2½ percent of the member's years of creditable service multiplied by the member's retired pay base under [10 U.S.C. 1406\(b\)\(1\)](#) or [10 U.S.C. 1407](#), whichever is applicable to the member.

NOTE: A retired reserve member, retired under the provisions of 10 U.S.C., Chapter 61 is entitled to CRSC. The gross amount of CRSC determined under paragraph 630801 will be adjusted as required under paragraph 630802 and then further reduced under this paragraph. For Reserve Component members with less than 20 years of service as determined under [10 U.S.C. 12733](#), reduce the adjusted CRSC amount by the amount, if any, by which the disability retired pay exceeds the amount equal to 2½ percent times the years of creditable service determined under 10 U.S.C. 12733 multiplied by the member's applicable retired pay base. For Reserve Component members with 20 or more years of service as determined under 10 U.S.C. 12733, reduce the adjusted CRSC amount by the amount, if any, by which the disability retired pay exceeds the retired pay for the member would be entitled if the member were 60 years old.

B. Reductions for periods on or after January 1, 2013

1. Chapter 61 Disability Retirees With 20 or More Years of Service. Members retired for disability under 10 U.S.C., Chapter 61 with 20 or more years of creditable service computed under section 10 U.S.C. 1208 will have the maximum CRSC payment restricted to the amount, which when combined with any remaining retired pay after VA offset, will not exceed the applicable retired pay to which the member would otherwise have been entitled under any other provisions of law. A retiree who accepted the Career Status Bonus will have the reduced amount calculated based on retired pay that would otherwise have been computed under 10 U.S.C. 1409(b)(2).

Example: The same member, as described in 630802, was retired under 10 U.S.C., Chapter 61 with a disability rated at 60 percent. Thus, the member receives retired pay of \$1,800 monthly (60 percent of \$3,000). However, in this case, the member has a combined VA rating of 100 percent, but combat-related disabilities rated at 60 percent. The member's current monthly VA benefit amount is \$3,264, of which \$1,365 is combat-related. The member has a total offset of retired pay. Since there is no residual retired pay after offset of the full VA benefit amount, the member's CRSC entitlement of \$1,365, is fully payable as it does not exceed the applicable retired pay to which the member would otherwise have been entitled under any other provisions of law. In this case, the member will receive \$3,264 from the VA and \$1,365 in CRSC from DoD.

2. Chapter 61 Disability Retirees With Fewer Than 20 Years of Service. Members retired for disability, under 10 U.S.C., Chapter 61, with less than 20 years of creditable service computed under 10 U.S.C. 1208, and who is qualified for CRSC, on or after January 1, 2013, will have the maximum CRSC payment restrictions. The CRSC payment amount, which when combined with any remaining retired pay after VA offset, will not exceed the amount that is equal to 2½ percent of the member's years of creditable service multiplied by the member's retired pay base under 10 U.S.C. 1406(b)(1) or 10 U.S.C. 1407, whichever is applicable to the member.

NOTE: A retired reserve member, retired under the provisions of 10 U.S.C., Chapter 61 is entitled to CRSC. The gross amount of CRSC determined under paragraph 630801 will be adjusted as required under paragraph 630802. For Reserve Component members with less than 20 years of service as determined under 10 U.S.C. 12733, the CRSC amount when combined with the amount of retired pay payable to the retiree after reduction for the full VA disability compensation, if any, may not exceed the disability retired pay amount that is equal to 2½ percent times the years of creditable service determined under 10 U.S.C. 12733 multiplied by the member's applicable retired pay base. For Reserve Component members with 20 or more years of service as determined under 10 U.S.C. 12733, the CRSC amount when combined with the amount of retired pay payable to the retiree after reduction for the full VA disability compensation, if any, may not exceed the disability retired pay to which the member would be entitled if the member were 60 years old.

C. 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. It will not be re-computed using current pay tables unless the member otherwise qualifies for re-computation of retired pay by reason of recall to duty or correction of official records.

6309 COMBINED DISABILITY RATING PERCENTAGE

630901. The [Veterans Affairs \(VA\)](#) Combined Ratings Table

This table is used to combine multiple disability ratings as set forth in [38 CFR 4.25](#). The table is based on the consideration of an individual's efficiency, as affected by the most disabling conditions, if any, in the order of severity. Thus, a person having a 60 percent disability is considered 40 percent efficient. Proceeding from this 40 percent efficiency, the effect of a further 30 percent disability is to leave only 70 percent of the efficiency remaining after consideration of the first disability (70 percent of 40 percent), leaving 28 percent efficiency altogether. The individual is thus 72 percent disabled.

630902. Multiple Combined Disability Ratings

When two or more disabilities are combined, use the formula below to determine the combined rating of multiple disabilities:

- efficiency,
- A. Subtract each disability percent from 100 percent to obtain the remaining efficiency,
 - B. Multiply the remaining efficiencies together,
 - C. Subtract the result from 100 percent, and
 - D. Round to the nearest 10 percent (round upward for 5 percent and up, down for 4 percent and below) to determine the combined disability rating.

Example 1: Consider a retiree having three disabilities from VA, rated 50 percent, 40 percent, and 30 percent. If added together, then the total would be 120 percent. Instead, the member's combined rating is determined as follows:

1. The three disabilities leave efficiencies of 50 percent, 60 percent, and 70 percent respectively;
2. Multiply the three efficiencies together:
$$.50 \times .60 \times .70 = .21 \text{ or } 21 \text{ percent};$$
3. The disability is 100 percent less 21 percent = 79 percent;
4. Adjust the result upward to a combined disability rating of 80 percent.

Example 2: Now consider what happens if the Military Department determines that only the 40 percent and 30 percent disabilities are combat-related, then the member's combined disability rating for CRSC would be:

1. The two disabilities of 40 percent and 30 percent leave efficiencies of 60 percent and 70 percent.
2. Multiply the two efficiencies together:
$$.60 \times .70 = .42 \text{ or } 42 \text{ percent};$$
3. The disability is 100 percent less 42 percent = 58 percent;
4. Adjust the result upward to a combined disability rating of 60 percent.

630903. VA Retroactive Increase

When VA makes a retroactive increase in a member's VA disability compensation pertinent to a member's combat-related disabilities under CRSC, DFAS and VA will exchange

data to determine the additional retroactive amount that the member is entitled to receive as the result of CRSC. DFAS will compute the additional entitlement and advise VA in order for VA to pay the member the appropriate additional authorized VA disability compensation. Any increase affecting CRSC qualified disabilities in the current month requires that CRSC be re-computed.

6310 REVIEW PROCESS

631001. Basis for Determination

A. Determinations of whether a disability is combat-related will be based on the preponderance of available documentary information where quality of information is more important than quantity. All relevant documentary information is to be weighed in relation to known facts and circumstances, and determinations will be made on the basis of credible, objective documentary information in the records as distinguished from personal opinion, speculation, or conjecture.

B. The burden of proof that a disability is combat-related rests with the applicant, who is required to provide copies of documents in his or her possession to the best of his or her ability. A record submitted by a member may be used in support of his or her application if that record appears regular on its face and is consistent with Military Service documents and procedures in use at the time, based on the best information available. Military Departments may compile a list of typical documents used in various time periods. If necessary, the Military Departments, under agreement with VA may request copies of certain documents (i.e., DD 214 “Certificate of Release or Discharge From Active Duty”, medical records, final VA ratings) from VA to support CRSC determinations.

631002. Processing of Applications

Each Military Department will receive and process applications submitted by members retired from that Military Department on [DD Form 2860](#), Claim For Combat-Related Special Compensation (CRSC). Applications will be reviewed, and an application will be approved only if the applicant satisfies both Preliminary and Final CRSC criteria. An application must be received by the military department prior to the member’s death in order to be considered. An application for CRSC submitted by member’s survivors will not be considered. DFAS-Cleveland Site will be notified of each approved application for payment.

A. Initial Review. Each Service Department will review the member’s application to determine if the member meets the Preliminary criteria in section 6305. If a member does not satisfy each of the Preliminary CRSC Criteria, then the application will be denied and no further consideration is necessary. The member may reapply at such time as his or her ratings satisfy the specified thresholds and meet all four Preliminary CRSC Criteria in section 6305.

B. Final Review. If the member meets all four Preliminary Criteria in section 6305, then the Military Department will determine whether the member’s disabilities are

qualifying combat-related disabilities, as prescribed in section 6306. The Military Department shall record each disability determined to be combat-related with assigned medical diagnosis code from VASRD. The Military Department will forward the approved claims with VASRD codes categorized as either combat or Purple Heart to the DFAS-Cleveland Site for payment.

631003. Denial and Appeals

When a Military Department denies a CRSC application, they will provide a letter to the member specifying the reasons(s) for the denial. The Military Department will inform the member that he or she may seek reconsideration by submitting additional, clarifying, or new documentary information to the Military Department in support of his or her claim. The Military Department will review the additional or new information and will inform the member of the results of the review. The Military Department will also inform the member that CRSC is subject to the same appeals and correction processes applicable to military pay and allowances, including application to the appropriate Board for Correction of Military Records (BCMR) under the provisions of [10 U.S.C. 1552](#). The Military Department will provide the member a [DD Form 149](#), Application for Correction of Military Records, and the address of the BCMR, including its Web site. In considering an application where the issue of whether a disability is combat-related for the purposes of CRSC, BCMR will seek an advisory opinion from the Director of Compensation, Office of the Deputy Under Secretary of Defense (Military Personnel Policy), and comply with the requirements of [10 U.S.C. 1556](#). BCMR will provide the Director of Compensation a copy of any final decision concerning any application involving a determination as to whether a disability is combat-related.

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6309 – COMBINED DISABILITY RATING PERCENTAGE

630901	38 C.F.R. 4.25
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6310 – REVIEW PROCESS

631003	10 U.S.C. 1552 10 U.S.C. 1556
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