

119TH CONGRESS
1ST SESSION

H. R. 333

To amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability rated less than 50 percent to receive concurrent payment of both retired pay and veterans disability compensation, to extend eligibility for concurrent receipt to chapter 61 disability retirees with less than 20 years of service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2025

Mr. BISHOP introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability rated less than 50 percent to receive concurrent payment of both retired pay and veterans disability compensation, to extend eligibility for concurrent receipt to chapter 61 disability retirees with less than 20 years of service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Disabled Veterans Tax
3 Termination Act”.

4 **SEC. 2. CONCURRENT RECEIPT OF BOTH RETIRED PAY AND**
5 **VETERANS’ DISABILITY COMPENSATION FOR**
6 **MILITARY RETIREES WITH COMPENSABLE**
7 **SERVICE-CONNECTED DISABILITIES.**

8 (a) INCLUSION OF RETIREES WITH SERVICE-CON-
9 NECTED DISABILITIES RATED LESS THAN 50 PER-
10 CENT.—Section 1414(a) of title 10, United States Code,
11 is amended—

12 (1) by striking “COMPENSATION” in the sub-
13 section heading and all that follows through “Sub-
14 ject” and inserting “COMPENSATION.—Subject”;

15 (2) by striking “qualifying service-connected
16 disability” and inserting “service-connected dis-
17 ability”; and

18 (3) by striking paragraph (2).

19 (b) INCLUSION OF DISABILITY RETIREES WITH
20 LESS THAN 20 YEARS OF SERVICE.—Section 1414(b) of
21 title 10, United States Code, is amended—

22 (1) in paragraph (1), by striking “member re-
23 tired” and inserting “qualified retiree who is re-
24 tired”; and

25 (2) by striking paragraph (2) and inserting the
26 following new paragraph:

1 “(2) DISABILITY RETIREES WITH LESS THAN 20
2 YEARS OF SERVICE.—The retired pay of a qualified
3 retiree who is retired under chapter 61 of this title
4 with fewer than 20 years of creditable service is sub-
5 ject to reduction under sections 5304 and 5305 of
6 title 38, but only by the amount (if any) by which
7 the amount of the member’s retired pay under such
8 chapter exceeds the amount equal to 2½ percent of
9 the member’s years of creditable service multiplied
10 by the member’s retired pay base under section
11 1406(b)(1) or 1407 of this title, whichever is appli-
12 cable to the member.”.

13 (c) CONFORMING AMENDMENTS REFLECTING END
14 OF CONCURRENT RECEIPT PHASE-IN PERIOD.—Section
15 1414 of title 10, United States Code, is further amend-
16 ed—

17 (1) in subsection (a), as amended by subsection
18 (a) of this section, by striking the final sentence;

19 (2) by striking subsection (c) and redesignating
20 subsections (d) and (e) as subsections (c) and (d),
21 respectively; and

22 (3) in subsection (d), as so redesignated, by
23 striking paragraphs (3) and (4).

24 (d) CLERICAL AMENDMENTS.—

1 (1) SECTION HEADING.—The heading for sec-
 2 tion 1414 of title 10, United States Code, is amend-
 3 ed to read as follows:

4 **“§ 1414. Members eligible for retired pay who are also**
 5 **eligible for veterans’ disability compensa-**
 6 **tion: concurrent payment of retired pay**
 7 **and disability compensation”.**

8 (2) TABLE OF SECTIONS.—The item relating to
 9 such section in the table of sections at the beginning
 10 of chapter 71 of title 10, United States Code, is
 11 amended to read as follows:

 “1414. Members eligible for retired pay who are also eligible for veterans’ dis-
 ability compensation: concurrent payment of retired pay and
 disability compensation.”.

12 (e) CONFORMING AMENDMENT REFLECTING SUB-
 13 SECTION REDESIGNATION.—Section 1413a(f) of title 10,
 14 United States Code, is amended by striking “Subsection
 15 (d)” and inserting “Subsection (c)”.

16 (f) EFFECTIVE DATE.—The amendments made by
 17 this section shall take effect on the first day of the first
 18 month beginning after the date of the enactment of this
 19 Act and shall apply to payments for months beginning on
 20 or after that date.

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