

## How Income Tax and Division of Retired Pay to a Former Spouse Apply to CRSC and CRDP.

### CRSC

As a special compensation for disability, CRSC payments are not taxed and cannot be divided by a court in a divorce.

### CRDP

As restored retired pay, CRDP is taxable income and can be divided by a court in a divorce.



The DFAS homepage provides information and a comparison of CRDP and CRSC at <http://www.dfas.mil/retiredmilitary/disability/comparison.html>.

## What if I am eligible for both CRSC and CRDP?

You may qualify for both CRSC and CRDP, but you can only collect one of the benefits at a time. DFAS will notify Retired Soldiers who are qualified for both programs of the annual open season when they may switch between the programs. If a Retired Soldier does not elect either CRDP or CRSC, DFAS determines the most advantageous program based on the highest gross payment. Retired Soldiers may find the program with the highest gross payment less advantageous based on the federal income tax and or division of retired pay with a former spouse.

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## What is Concurrent Retired and Disability Pay (CRDP) and Combat-Related Special Compensation (CRSC)?

In order to receive disability compensation since the late 1800s, retired veterans with disabilities waived an equal amount of their regular retired pay. In December 2002 (CRSC) and January 2004 (CRDP), Congress enacted legislation to restore some or all of the military retired pay these veterans waived.

### Combat-Related Special Compensation (CRSC)

Special compensation for a combat-related illness/injury caused by any of these situations: simulations of war (i.e. training exercises, combat confidence course or lanes training, or other training which is used to prepare for combat); hazardous service (e.g. aerial flight, parachute duty, demolition duty, experimental stress duty); instrumentalities of war (e.g. armored vehicles, Agent Orange, grenade simulators, military planes, and other items unique to the military); or by actual combat (directly or indirectly).

### Concurrent Retired and Disability Pay (CRDP)

Under CRDP, retired pay that was waived to receive disability pay from the Department of Veterans Affairs (VA) is restored to Soldiers in receipt of retired pay who meet the eligibility criteria.



### CRSC/CRDP Eligibility Criteria

*Note: You must meet all criteria to be eligible for the program.*

#### CRSC

1. Receiving military retired pay.
2. Have a combat-related injury/illness that is rated 10% or greater by the VA.
3. Waive military retired pay to receive VA disability pay.
4. File a CRSC application with the U.S Army Human Resources Command (HRC)

#### CRDP

1. Regular retirement, non-regular retirement with 20 or more qualifying years of service and have reached retirement age, medical retirement (Ch 61) with 20 or more years of service, or a Temporary Early Retirement Act (TERA) retirement.
2. 50% or greater VA rated illnesses or injuries that are service-connected
3. Receiving military retired pay
4. Military retired pay is reduced by VA disability payments (VA Waiver).

Note: A Reserve Component Soldier medically retired from active duty with less than 20 years of active service but with 20 or more years of service creditable for non-regular retirement and a service connected VA disability rating of 50 percent or higher would qualify for CRDP at the age eligible for the non-regular retirement.

### CRSC/CRDP Application Process

#### CRSC

Retired Soldiers must apply to HRC for CRSC. Information is available at: <https://www.hrc.army.mil/TAGD/CRSC>. You can contact the HRC CRSC Service Center by e-mail at [askhrc.army@us.army.mil](mailto:askhrc.army@us.army.mil) or telephonically M-F 0800-1900 hours EST at 1-888-276-9472.



#### CRDP

There is no application process. The Defense Finance and Accounting Service (DFAS) will automatically pay CRDP to Retired Soldiers receiving retired pay with an regular or non-regular length of service retirement, medical retirement (Ch 61) with 20 or more years of service, or a TERA retirement identified by the VA with a 50% or greater VA-rated service-connected disability rating. Information is available at <http://www.dfas.mil/retiredmilitary/disability/crdp.html>.