



The Hazards of Dual Compensation: Guard/Reserve Military Pay and VA Comp

WHAT YOU NEED TO KNOW ABOUT THE HAZARDS OF DUAL COMPENSATION

You can be a traditional National Guard member and receive VA disability compensation. However, you cannot receive VA compensation for the same time period that you receive military pay (paid from DFAS. This does not mean you have to choose between military pay and compensation. You only lose the amount of comp equal to the amount of days paid for drill, AT or orders. Let's say you receive \$300.00 per month for compensation. You divide that amount by 30 days and it equals \$10.00 per day. If you perform a MUTA-4, then your offset is \$40.00 for the month. If you set this amount into a savings account, when the VA turns off your compensation for the overpayment, you can pay yourself out of savings. There is a worksheet to help you calculate this amount at the end of this sheet.

Normally, the VA Regional office in Seattle will send you a notice at the end of the fiscal year (Oct-Sep) usually in Nov-Dec, asking you to verify how many days you collected military pay for the previous year. If you do not receive this notice, you can complete the form and send it to your regional office to ensure it is being processed correctly. You can verify which regional office services your account by looking at your rating decision letter. You can also send your form to my office and we will hand carry to the VA; Building 3, Camp Murray, Tacoma, WA 98430. The form can be found on the following link:

<http://www.vba.va.gov/pubs/forms/VBA-21-8951-2-ARE.pdf>

If you are AGR, ADOS or Title-10, you will be receiving military pay 24/7, and must stop VA compensation immediately, or you will become indebted to the Federal Government. You can contact me via email at antionette.m.deandrea.ctr@mail.mil and I will send you the appropriate form to make this happen. If you do not have email, you can call my office at 253-512-8722 and I can do this in person or by mail/fax.

If you have received a letter from the VA's Debt Management Center, you need to contact my office immediately for help. If you respond to the letter within 30 days, the VA will hold all collections until your concerns are answered. Repayment amounts sometimes can be lowered or waived if the debt will cause financial hardship. But again, the time to address this is within 30 days of the notice, so act quickly. If it has been longer than 30 days, please still contact us to see what options are available to you.

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Formula for calculating government indebtedness
If you choose to waive VA Compensation

_____	Amount of monthly VA Compensation Payment
÷ 30	Divide by 30 (average number of days per month)
_____	Equals approximate daily VA Compensation payment
X _____	Multiply by number of days for which military pay is received
_____	Equals amount of VA compensation that will be withheld from future VA compensation payments

Example:

<u>\$377.00</u>	Amount of monthly VA Compensation Payment
÷ 30	Divide by 30 (average number of days per month)
<u>\$12.57</u>	Equals approximate daily VA Compensation payment
X 63	Multiply by number of days for which military pay is received
<u>\$791.91</u>	Equals amount of VA compensation that will be withheld from future VA compensation payments

Things to remember:

VA Compensation is not subject to taxes.

VA Compensation ***is*** subject to annual review. Unless your determination rating states that the disability is permanent, it is subject to being reduced upon your conditions getting better and being re-evaluated. This does not mean you will automatically be reduced, only if your condition had improved.

If you choose to waive military pay, you are choosing to have **all** of your military pay for the past year recouped. If you are still in the National Guard, this means that two-thirds of your military pay for the coming year can be withheld until the amount of your government indebtedness is satisfied. Since you are only losing a portion of your comp, it is usually better to waive comp.