



T H E M I L I T A R Y C O A L I T I O N

201 North Washington Street
Alexandria, Virginia 22314
(703) 838-8113

May 26, 2005

The Honorable Daniel K. Akaka
United States Senate
Washington, DC 20510

Dear Senator Akaka:

The Military Coalition, a consortium of nationally prominent military and veterans organizations representing more than 5.5 million active duty, Guard and Reserve, retired and former members of the uniformed services, plus their family members and survivors, urges you to vote in favor of Senator Harry Reid's amendment to the FY2006 Defense Authorization Act, which would authorize immediate elimination of the "disabled veterans tax" for disabled military retirees designated as unemployable by the Department of Veterans Affairs.

Two years ago, Congress authorized phasing out the disability offset to military retired pay over 10 years for disabled retirees with 20 or more years of service and VA disability ratings of 50% or greater. Last year, Congress amended the law to authorize immediate elimination of the disability offset for members rated 100% disabled. But the Department of Defense, for reasons it has declined to specify, has not applied this provision to members receiving VA compensation at the 100% disability rate by virtue of VA's determination that their service-connected disabilities have rendered them unemployable.

For all other reasons, unemployable members are treated as 100% disabled. For example, the Department of Defense treats them as 100%-rated members under the Combat-Related Special Compensation program.

It is unconscionable to discriminate in this arbitrary way against members who have been certified expressly by the VA as unable to work – especially since no such certification is required for 100%-disabled members. Under DoD's current implementation policies, unemployable retirees will be forced to wait until 2014 for full recovery of their earned retired pay. This is no way to treat members whose service to their country literally cost them their ability to earn a living.

Please stand up for equity and vote for Senator Reid's amendment to eliminate the disabled veterans tax on unemployable disabled retirees when the Defense Authorization Act comes to the floor for consideration.

Sincerely,

The Military Coalition
(Signatures enclosed)