

AP86(F) Active Service Pay
(Final Rule – This rule is effective January 11, 2024)

[Federal Register](#)

What does the regulation do? The Department of Veterans Affairs (VA) amends its adjudication regulations to permit VA to adjust disability compensation payments under certain circumstances upon receipt of notice from the Department of Defense (DoD) that the veteran has received or is receiving active service pay.

Are the provisions, services, or benefits associated with this rulemaking current practice or new to Veterans? Please explain. Adjusting a Veteran's VA benefit based on active-duty service is not new; however, the rule will substantially change how VA implements benefits adjustments based on a veteran's receipt of active service pay for certain types of service.

Who does it impact? The rulemaking impacts Veterans who have returned to active duty. A Service member receiving active-duty service pay is one who is in the military full-time, having signed a service obligation with a service branch. Active service pay is the wages an active service member receives in return for duties performed in the military.

Service members who are on active duty for training or inactive duty for training, who serve on an intermittent basis, and cannot be deployed worldwide, may also receive active service pay while on such duty. Some service members may waive this pay in exchange for points toward retirement.

Why is it happening/important? This is important because a Veteran cannot receive active service pay and VA disability compensation or pension simultaneously. Receiving both results in an overpayment of VA benefits, and the resulting withholding to recoup the overpayment can be difficult for Veterans and their families. The effect of this action is to reduce overpayments and erroneous payments associated with receipt of VA disability compensation and DoD active service pay by allowing VA to make necessary adjustments as close in time to the receipt of active service pay as possible with as minimal effect on the Veteran as possible. Additionally, the amendments will allow VA to resume payments discontinued due to receipt of active service pay based on information received from DoD. The amendments will also clarify how VA adjudicates benefit adjustments based on a veteran's receipt of active service pay for certain types of service.

Why are we doing it? This rulemaking is a result of VA's internal deliberation.