

104TH CONGRESS
2D SESSION

H. R. 3183

To amend title 38, United States Code, to limit the amount of recoupment from veterans' disability compensation that is required in the case of veterans who have received certain separation payments from the Department of Defense.

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 1996

Mr. MONTGOMERY introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to limit the amount of recoupment from veterans' disability compensation that is required in the case of veterans who have received certain separation payments from the Department of Defense.

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

3 **SECTION 1. LIMITATION ON RECOUPMENT FROM VETER-**
4 **ANS COMPENSATION BENEFITS.**

5 (a) IN GENERAL.—(1) Chapter 53 of title 38, United
6 States Code, is amended by inserting after section 5304
7 the following new section:

1 **“§ 5304a. Recoupment of military separation pay-**
2 **ments from compensation: limitation**

3 “(a) In the case of a veteran with a service-connected
4 disability who is entitled to compensation and who is paid
5 a benefit described in subsection (b), the amount of com-
6 pensation otherwise payable to that veteran that is de-
7 ducted pursuant to section 1174(h)(2) of title 10 (or a
8 similar provision of law) by reason of the payment to that
9 veteran of the benefit described in subsection (b) may not
10 exceed 75 percent of the total amount of the benefit de-
11 scribed in subsection (b) paid to the veteran.

12 “(b) Subsection (a) applies to any of the following:

13 “(1) Separation pay under section 1174 of title
14 10.

15 “(2) Special separation benefit under section
16 1174a of title 10.

17 “(3) Any similar benefit paid by the Secretary
18 concerned upon discharge or separation of an indi-
19 vidual from the armed forces with respect to which
20 there is a requirement that there be deducted from
21 disability compensation otherwise payable to the in-
22 dividual an amount equal to the total amount of the
23 benefit paid by the Secretary concerned.”.

24 (2) The table of sections at the beginning of such
25 chapter is amended by adding at the end the following
26 new item:

“5304a. Recoupment of military separation payments from compensation: limitation.”.

1 (b) EFFECTIVE DATE.—Section 5304a of title 38,
2 United States Code, as added by subsection (a), shall
3 apply with respect to payment of compensation by the Sec-
4 retary of Veterans Affairs for months beginning on or
5 after October 1, 1996.

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