

**COMPENSATION OFFSETS – RETIRED PAY**  
**INSTRUCTOR LESSON PLAN**  
**TIME REQUIRED: 4 HOURS**

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## LESSON DESCRIPTION

The information below provides the instructor with an overview of the lesson and the materials that are required to effectively present this instruction.

**TMS #** XX-XXX-XX

**PREREQUISITES** None

**TARGET AUDIENCE** The target audience for **Compensation Offsets – Retired Pay** is **VSR – Entry Level**.

Although this lesson is targeted to teach the **VSR – Entry Level** employee, it may be taught to other VA personnel as mandatory or refresher type training.

**TIME REQUIRED** 4 hours: 3 hours for lecture and review exercises; and 1 hour for demonstration of live case.

**MATERIALS/ TRAINING AIDS** Lesson materials:

- **Compensation Offsets – Retired Pay** PowerPoint Presentation
- **Compensation Offsets – Retired Pay** Trainee Handout
- Retired Pay Calculator

**TRAINING AREA/TOOLS** The following are required to ensure the trainees are able to meet the lesson objectives:

- Classroom or private area suitable for participatory discussions
- Seating, writing materials, and writing surfaces for trainee note taking and participation
- Handouts, which include a practical exercise
- Large writing surface (easel pad, chalkboard, dry erase board, overhead projector, etc.) with appropriate writing materials
- Computer with PowerPoint software to present the lesson material

Trainees require access to the following tools:

- VA TMS to complete the assessment
- **Retired Pay Calculator**

## **PRE-PLANNING**

- Become familiar with all training materials by reading the Instructor Lesson Plan while simultaneously reviewing the corresponding PowerPoint slides. This will provide you the opportunity to see the connection between the Lesson Plan and the slides, which will allow for a more structured presentation during the training session.
- Become familiar with the content of the trainee handouts and their association to the Lesson Plan.
- Practice is the best guarantee of providing a quality presentation. At a minimum, do a complete walkthrough of the presentation to practice coordination between this Lesson Plan, the trainee handouts, and the PowerPoint slides and ensure your timing is on track with the length of the lesson.
- Ensure that there are copies of all handouts before the training session.
- When required, reserve the training room.
- Arrange for equipment such as flip charts, an overhead projector, and any other equipment (as needed).
- Talk to people in your office who are most familiar with this topic to collect experiences that you can include as examples in the lesson.
- This lesson plan belongs to you. Feel free to highlight headings, key phrases, or other information to help the instruction flow smoothly. Feel free to add any notes or information that you need in the margins.

## **TRAINING DAY**

- Arrive as early as possible to ensure access to the facility and computers.
- Become familiar with the location of restrooms and other facilities that the trainees will require.
- Test the computer and projector to ensure they are working properly.
- Before class begins, open the PowerPoint presentation to the first slide. This will help to ensure the presentation is functioning properly.
- Make sure that a whiteboard or flip chart and the associated markers are available.
- Provide a sign in sheet and at the conclusion of the session, ensure that all trainees sign in.

## INTRODUCTION TO COMPENSATION OFFSETS – RETIRED PAY

### **INSTRUCTOR INTRODUCTION**

Complete the following:

- Introduce yourself
- Orient learners to the facilities
- Ensure that all learners have the required handouts

### **TIME REQUIRED**

4 hours: 3 hours for lecture and review exercises; and 1 hour for demonstration of live case.

### **PURPOSE OF LESSON**

*Explain the following:*

This lesson is intended to teach the trainees about the concept of nonduplication of benefits; how to confirm/verify receipt and amounts of retired pay; calculate the amounts to withhold (if needed); input withholding amounts into the award program; and give proper notification of benefits and withholding. This lesson will contain discussions and exercises that will allow the students to gain a better understanding of:

- What nonduplication of benefits means
- Confirming/verifying receipt and amounts of retired pay
- Preparing to input award by calculating how much to withhold for retired pay (if needed)
- Inputting withholding amounts into the award program
- Notifying the Veteran using the required elements

### **LESSON OBJECTIVES**

*Discuss the following:*

In order to accomplish the purpose of this lesson, the VSR will be required to accomplish the following lesson objectives.

The VSR will be able to:

*Slide 2*

*Handout p.2*

- Explain what nonduplication of benefits means
- Confirm/verify receipt and amounts of retired pay
- Prepare to input award by calculating how much to withhold for retired pay (if needed)
- Input withholding amounts into the award program
- Notify a Veteran using the appropriate language

*Explain the following:*

Each learning objective is covered in the associated topic. At the conclusion of the lesson, the learning objectives will be reviewed.

**MOTIVATION**                      **Following these instructions will ensure compensation benefit payments are correct.**

**STAR ERROR CODE(S)**                      TBD

**REFERENCES**                      Explain where these references are located in the workplace.

*Slide 3*

*Handout p.3*

- 38 U.S.C. 5304    Prohibition against duplication of benefits
- 38 CFR 3.401(e)    Effective date: Retired pay
- 38 CFR 3.700    Concurrent benefits and Elections (General)
- 38 CFR 3.750    Entitlement to concurrent receipt of military retired pay and disability compensation
- M21-1MR, Part III.v.5    Military Retirement Pay
- VA Compensation Rate Tables
- Compensation Service Calendar page
- April 2011 C&P Bulletin Addendum

### **TOPIC 1: NONDUPLICATION OF BENEFITS**

**INTRODUCTION**                      This topic will allow the trainee to understand the concept of nonduplication of benefits.

**TIME REQUIRED**                      .25 hours

**OBJECTIVES/TEACHING POINTS**                      Topic objectives:

- Help the trainee understand why we withhold for retired pay.

The following topic teaching points support the topic objectives:

- 38 U.S.C. 5304
- 38 CFR 3.700

**Nonduplication of benefits**

*Slide 4*

*Handout p.3*

Explain why we withhold for retired pay; that VA is obligated by law to avoid duplication of payments when a veteran receives retired pay. Discuss why we do not make adjustments for CRDP/CRSC, if needed: We do a “straight withholding” and adjustments for CRDP/CRSC are done by DFAS; or by us at a later time when we are informed by DFAS, through the Audit Error Worksheet (AEW) process, what adjustments to make.

## TOPIC 2: CONFIRMING/VERIFYING RECEIPT OF RETIRED PAY

**INTRODUCTION** This topic will allow the trainee to identify if a Veteran is entitled to retired pay and the entitlement amounts.

**TIME REQUIRED** .5 hours

**OBJECTIVES/  
TEACHING POINTS** Topic objectives:

- Identify the different sources that indicate receipt of retired pay and amounts or how to obtain them.

The following topic teaching points support the topic objectives:

- What forms indicate retired pay
- What VA computer programs indicate retired pay
- How to obtain amounts if not indicated in electronic records

### **Forms**

#### **Forms that indicate retired pay:**

*Slide 5-10*

- DD Form 214
- VA Form 21-526, 526EZ
- VA Form 21-651

*Handout p.4*

### **VA computer programs**

#### **VA computer programs that indicate retired pay and amounts:**

*Slide 11-16*

- BIRLS Miscellaneous Screen (MSC)
- Corporate Inquiries > Military > Military Payments
- VBMS-A > Military Payment Info > Use “Retrieve BIRLS Data” to obtain latest COLA amount (Slide 31, Handout p.12).

*Handout p.4*

### **If retired pay amounts not in electronic records**

#### **How to obtain retired pay amounts if not in electronic records:**

*Slide 17*

- Call Defense Finance and Accounting Service (DFAS) at **(800) 321-1080**.
- Contact the local Retired Casualty Pay Subsystem (RCPS) liaison or “Retired Pay Coordinator” at your RO.

*Handout p.4*

### TOPIC 3: PREPARING FOR AWARD INPUT BY CALCULATING WITHHOLDING AMOUNTS

**INTRODUCTION** This topic will teach the trainee how to calculate the withholding amounts.

**TIME REQUIRED** .5 hours

**OBJECTIVES/TEACHING POINTS** Topic objectives:

- How to calculate the correct withholding amount (if needed).

The following topic teaching points support the topic objectives:

- Where to find all the information needed to calculate withholding amounts, including explanation of “dummy” award to obtain new gross amounts.
- How to calculate withholding amounts manually.
- How to use the retired pay calculator.

**Preparing for calculation of withholding amounts**

*Slide 18-20*

*Handout p.5*

**Researching factors that affect the withholding of retired pay.**

- Is it an original or increased rating or an increase of benefits?
- What are the retired pay entitlement amounts?
- What are the total compensation entitlement amounts?
- What is the cutoff date to stop withholding compensation?

**Checklist**

- Generate “dummy” award or use the rate charts to obtain new gross amounts.
- Make sure to include all payment change dates from the date of increase to the cutoff date.

*Manual Calculation of Withholding*

*Slide 21-29*

*Handout p.5*

**Determining Amounts to Withhold**

**If New Gross VA (NGVA) is less than or equal to ( $\leq$ ) Retired Pay (RP) then:  $NGVA - Old Net (ON) = Withholding (W)$**

**If NGVA is greater than ( $>$ ) RP then:  $RP - ON = W$**

**Examples:**

**Original Award:**

Retired Pay > Compensation = withhold all Compensation until cutoff date on Calendar page. In other words, on original awards the veteran does not receive any compensation until cutoff date.

Example: Retired Pay of \$1,000 and Original award of \$200 = withhold \$200

**Increased Award:**

Retired Pay > Compensation = Increased rate - Current Compensation - = withheld amount

Example: Retired Pay of \$1,000 and Current benefits of \$200. Increased award \$450:  
\$450 - \$200 = withhold \$250 and pay \$200

**Note:** No matter the increased amount, as long as Retired Pay is greater than Compensation we must pay veteran what they were previously paid and withhold the remaining amount.

**EXERCISE**

Have students complete Review Exercise 1 on p. 6 of Handout.

**TOPIC 4: INPUTTING WITHHOLDING AMOUNTS IN VBMS-A/VETSNET C&P AWARDS**

**INTRODUCTION**

This topic will allow the trainee to enter withholding amounts properly into VBMS-A or VETSNET C&P Awards.

**TIME REQUIRED**

.5 hours

**OBJECTIVES/  
TEACHING POINTS**

Topic objectives:

- How to enter withholding amounts in VBMS-A/VETSNET C&P Awards.

The following topic teaching points support the topic objectives:

- How to access the Military Payment Information and Award Adjustments tabs.



**Entering withholding amounts in awards program**

*Slide 30-35*

*Handout p.7*

*VBMS-A step-by-step Instructions*

*Slide 30-35*

*Handout p.11-15*

**Input award data using VBMS-A/VETSNET C&P Awards**

Once payment and the amount has been confirmed and verified, you will need to adjust the veteran's VA benefits, if applicable. This will be processed through either the VETSNET Award system, or VBMS-A. You can access both programs through the Start Menu.

1. Go to Start – VBAPPS – VETSNET – ☺ C&P Awards, or
2. Go to Start – VBAPPS – VBMS – VBMS-A

Once you have accessed VBMS-A, you need to verify retired pay data is of record and if not, use Retrieve BIRLS Data, on the Military Payment Information tab, to obtain the data. Input manually if obtained from DFAS.

1. Follow steps from VBMS-A Overview lesson up to "Record Decision" button. Next, select "Military Payment Information" to access data for retired pay.
2. View the retired pay data for accuracy. Update the information by selecting the Add, Edit, or Retrieve BIRLS Data button.
3. Select DONE to close the screen after adding or editing information.
4. Note that there is a textual description indicating that this is a retired pay case. This same message will be displayed on the award screen after authorization and will be on the award print.
5. Open the Award Adjustments screen by selecting the Award Adjustments button the Record Decisions screen.
6. Note the display of Retired Pay information in the Retired Pay Profile grid.
7. Select the Add button.
8. Select the Retired Pay Type.
9. Enter the Adjustment Amount (the amount to be withheld).
10. Enter the date range for which the withholding should be applied in the From Date and To Date fields.
11. Record the Total Waiver Date if applicable.
12. Select Accept to update the grid.
13. Select DONE to save the decision and close the screen.
14. Hint: If you are not sure of the dollar amount to withhold, you can close this screen by selecting the Abandon button, generate the award to get the rates, then return the award to yourself and do the award adjustment.
15. Select Generate Award.

## TOPIC 5: NOTIFICATION

**INTRODUCTION** This topic will allow the trainee to properly notify the Veteran of their benefits.

**TIME REQUIRED** .5 hours

**OBJECTIVES/  
TEACHING POINTS** Topic objectives:

- Provide proper notification of benefits to the Veteran.

The following topic teaching points support the topic objectives:

- Required elements of notification letter

**Required elements of notification letters that include withholding for retired pay**

*Slide 36-44*

*Handout p.16-22*

Required elements of notification letters that include withholding for retired pay:

1. Payment table includes: Amount Withheld and Amount Paid columns; "Retired Pay Adjustment" in Reason for Change column; and withholding end date.
2. Retired Pay withholding and CRDP/CRSC information paragraphs.

**EXERCISE**

Have students complete Review Exercise 2, on p. 23 of Handout.

**DEMONSTRATION**

Demonstrate a live case from beginning to end.

## **LESSON REVIEW, ASSESSMENT, AND WRAP-UP**

<b>INTRODUCTION</b>	The Compensation Offsets – Retired Pay lesson is complete.
<i>Discuss the following:</i>	Review each lesson objective and ask the trainees for any questions or comments.
<b>TIME REQUIRED</b>	.25 hours
<b>LESSON OBJECTIVES</b>	<p>You have completed the Compensation Offsets –Retired Pay lesson.</p> <p>The trainee should be able to:</p> <ul style="list-style-type: none"><li>• Explain what nonduplication of benefits means</li><li>• Confirm/verify receipt and amounts of retired pay</li><li>• Prepare to input award by calculating how much to withhold for retired pay (if needed)</li><li>• Input withholding amounts into the award program</li><li>• Notify a veteran using the appropriate language</li></ul>
<b>ASSESSMENT</b>	<p>Remind the trainees to complete the on-line assessment in TMS to receive credit for completion of the course.</p> <p>The assessment will allow the participants to demonstrate their understanding of the information presented in this lesson.</p>