SEC. ___. REDUCTION OF THE TEMPORARY DISABILITY RETIRED LIST TENURE.

(a) REDUCTION OF TENURE.—Section 1210 of title 10, United States Code, is amended—

(1) in subsection (b), by striking "five years" and inserting "three years"; and

(2) in subsection (h), by striking "five years" and inserting "three years".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to members of the Armed Forces whose names are placed on the temporary disability retired list on or after January 1, 2017.

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would reduce the maximum tenure for Service members placed on the Temporary Disability Retired List (TDRL), due to an injury or illness eligible for disability retirement, from five years to three.

The TDRL was established under the Career Compensation Act of 1949 to allow for temporary disability retirement pay and benefits for any Service member who would be eligible for disability retirement benefits were it not for the fact that their disability was not of a permanent and stable nature. The Act created the TDRL for the purpose of equitability compensating Service members who were found unfit for duty for conditions that were expected to become worse before it was stabilized or within five years of being found unfit whichever came first. The Act limited the list to those veterans with illnesses that may have an impact on civilian employment (total Department of Veterans Affairs Schedule for Rating Disabilities (VASRD) equal to or greater than thirty percent). The Act provided that all Service members would be evaluated at least once every 18 months to determine if their condition had improved or deteriorated. If a Service member's illness was determined to have deteriorated during a periodic examination, they were not paid additional compensation until being placed on the Permanent Disability Retired List (PDRL).

The TDRL evolved in 1986, when the law was amended to allow the Military Departments to place individuals on the TDRL when their disabilities were permanent but their medical condition was not considered stable. Under this criterion, a disability is considered not stable if the medical evidence indicates its severity will probably change enough sometime within the next five years to warrant an increase or decrease in the disability percentage rating.

A 2008 report by the Office of the Under Secretary of Defense (Personnel and Readiness) entitled "The TDRL: An Assessment of its Continuing Utility and Future Role," suggested that the purpose of the TDRL had evolved into a vehicle to safeguard the interests of both Service members and the Government against the negative impacts brought about by rendering a final and permanent disability rating prematurely. A recent study of Service members placed on the TDRL from 2008 to 2013 found that 60 percent of those evaluated experienced a change in their final disability rating. In 30 percent of these cases, the severity of the Service member's medical condition worsened resulting in a higher final disability rating and an increased level of compensation. In the other 30 percent, the severity of the Service member's medical condition improved resulting in a lower final disability rating and a decreased level of compensation. Although the TDRL has also been viewed as an avenue to allow Service members whose conditions sufficiently improve to return to duty, a recent Department of Defense (DoD) analysis and a 2009 Government Accountability Office (GAO) study entitled "Military Disability Retirement: Closer Monitoring Would Improve the Temporary Retirement Process" (GAO-09-289) indicated that only approximately one percent of all Service members placed on the TDRL eventually return to military service.

Section 1642 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181) significantly changed the rating of certain illnesses traditionally resulting in placement on the TDRL. This section mandated that Service members' illnesses be rated in accordance with the VASRD. Section 4.129 of the VASRD mandates a minimum rating of 50 percent for those illnesses due to a highly stressful event resulting in the Service members release from Active Duty and that they be reevaluated within six months of discharge. Thus Service members found unfit due to Post-Traumatic Stress (PTS), were required to be placed on the TDRL, and reexamined within six months of discharge. These additional PTS cases, along with an overall increase in the number of Service members requiring disability evaluation, dramatically increased the inventory of TDRL cases, growing 35 percent (18,922 to 25,614) from Fiscal Years (FYs) 2008 to 2013.

The Military Departments have reported that the increased inventory is taxing the medical and administrative resources supporting both the TDRL program and the Integrated Disability Evaluation System. DoD calculated that the annual cost to administer the TDRL was $19.5 million for FY 2014 when factoring Physical Evaluation Board and Physical Evaluation Board Liaison Officer Full Time Equivalents; TDRL examinations; record copying, printing, faxing, and mailing via FedEx; and Service member travel for reevaluations. Managing the TDRL consumes available work capacity from many of the same personnel charged with executing the Integrated Disability Evaluation System thereby effectively increasing disability processing timelines in each Military Department.

In addition, the Military Departments anecdotally report that Service members on the TDRL are dissatisfied with the length and ambiguity of the process. Being on the TDRL may limit a Service member's ability to move forward with their life, often leading to a greater sense of confusion and uncertainty and contributing to overall dissatisfaction.

This proposal would limit the maximum tenure of the TDRL to three years, thereby reducing the administrative burden to the Military Departments for continued management of

TDRL, decreasing the associated inventory over time, and lowering the long term costs of the program. In addition, those Service members on the TDRL would face a shorter maximum period of uncertainty while still maintaining an opportunity for their disabilities to adjust to their actual level of severity. Both the previously referenced 2008 DoD Report and 2009 GAO Report (GAO-09-289) support the concept of reducing maximum TDRL tenure in order to ease the burden to the Military Departments and Service members.

This proposal would shape the parameters of the TDRL to more closely match the demographics of the current population. DoD performed an analysis of the average tenure of Service members on TDRL, and found that the average TDRL case remains on the list for 30 months (2.5 years). Over seventy percent are removed from TDRL prior to 36 months (three years), supporting the reduction of maximum tenure for this population. In its 2009 report, GAO conducted analysis on those Service members remaining on TDRL longer than three years and concluded that the majority of these cases did not experience a significant change in their final rating during this time. A shorter maximum TDRL tenure would result in Service members spending less time in a transitional state and a reduction in overall TDRL inventory while maintaining the benefits provided by the current TDRL program.

This proposal would ease the Military Departments' administrative burden by lessening the amount of oversight required for TDRL cases. DoD found that based on the current average TDRL tenure it would expect the current TDRL population to average 2.11 exams for non-PTS cases and 2.56 for PTS cases over the length of their tenure if following the legislated examination requirements (every 18 months, with PTS cases requiring the first exam within the first six months and every 18 months thereafter). However, DoD found that in practice these cases averaged only 1.05 exams for non-PTS and 1.04 for PTS over the length of their tenure, highlighting the struggles the Military Departments face sufficiently managing their TDRL populations and providing them with an opportunity to leave the program in a timely manner. Coupled with additional efforts by the Military Departments to improve the efficiency of their examination delivery, reduction of TDRL tenure should allow Service members the opportunity to receive an evaluation and be removed from the TDRL at the earliest appropriate point.

Budget Implications: The budget table below identifies both discretionary resource changes and mandatory savings across the Future Years Defense Program (FY 2017-2021) if maximum TDRL tenure were reduced from five years to three. The resources reflected in the table below are funded within the FY 2017 President's Budget.

Effect of Amendment to Section 1210 of title 10, United States Code (members on TDRL). The proposed legislation would result in a total annual decrease of $7.8 million in FY 2017 to DoD discretionary funding with an additional decrease of $12.3 million in United States Treasury outlays (PAYGO savings) in FY 2017. The decreases account for reduced contributions (DoD) to and outlays (United States Treasury) from the Military Retirement Trust Fund and Medicare-Eligible Retiree Health Care Fund. Within the Defense Health Program, savings will accrue for TRICARE as a greater number of Service members and their dependents will transition off of the TDRL to Separation or Return to Duty each year. In addition, costs will accrue for the administrative infrastructure necessary to manage the TDRL and for the performance of TDRL examinations as a greater number of Service members' cases are

processed each year. Within the Military Departments' Military Personnel Accounts, savings will accrue for the reduced contributions to the Military Retirement Trust Fund. The reductions are due to the decreased period of retired pay receipt for those who do not transition from the TDRL to the PDRL and the decreased period of retire pay receipt at fifty percent for those who do transition from the TDRL to the PDRL. In addition, costs will accrue for severance pay as a greater number of Service members will transition from the TDRL to Separation each year. Additional cost details are captured in the following tables.

RESOURCE REQUIREMENTS ($Million)									
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
DHP	1.8749	1.9238	1.9737	2.0246	2.0765	Defense Health Program	01	010	0807723
Army	(3.5384)	(3.5820)	(3.6806)	(3.8302)	(3.9904)	Military Personnel, Army; Reserve Personnel, Army; National Guard Personnel, Army[1]	01, 02 01 01	10/65 90 90	0910100A
Navy	(2.4309)	(2.4595)	(2.5136)	(2.5955)	(2.6831)	Military Personnel, Navy; Reserve Personnel, Navy[1]	01,02 01	10 65, 90	0910100N
Marine Corps	(0.7153)	(0.7249)	(0.7476)	(0.7847)	(0.8246)	Military Personnel Marine Corps Military Personnel Marine Corps[1]	01,02 01	10 65, 90	0910100M
AF	(3.0013)	(3.0360)	(3.1020)	(3.1995)	(3.3035)	Military Personnel, Air Force; Reserve Personnel, Air Force; National Guard Personnel, Air Force[1]	01,02 01 01	10/65 90 90	0910100F
Total	(7.8111)	(7.8785)	(8.0701)	(8.3853)	(8.7252)				
UST[2]	(12.3371)	(12.4605)	(12.5851)	(12.7110)	(12.8381)				

Notes:
1. Values include all components (AD, Reserve, and Guard).
2. US Treasury outlays.

The personnel table below provides the average annual number of Service members per year entering the TDRL, the annual percentage transitioning from the TDRL to the PDRL, and the annual percentage transitioning off of the TDRL due to a disposition of Separation or Return

to Duty. These averages were computed based on analysis conducted by the Office of the Secretary of Defense, Office of Warrior Care Policy on the Military Departments' Integrated Disability Evaluation System population forecasts for FYs 2014 to 2018 and on the Army Service members moving onto and off of the TDRL for FYs 2008 to 2013 under both the legacy Disability Evaluation System and the Integrated Disability Evaluation System processes.

NUMBER OF PERSONNEL AFFECTED	
Service members entering TDRL	5503
Transitioning from TDRL to PDRL	73.6%
Transitioning off of TDRL	7.6%

Total estimated discretionary savings over the Future Years Defense Program (FY 2017-2021) for the DoD are $40.9 million and mandatory savings resulting from reduced United States Treasury Outlays are $62.9 million over the same period.

Utilizing Army data for Service members moving onto and off of the TDRL for FYs 2008 to 2013, share ratios, as a percent of the total population, were computed by initial disability rating upon entry to the TDRL. Additional ratios were created for the sub-populations transitioning from the TDRL to the PDRL, the TDRL to Separation, and the TDRL to Return to Duty. For those transitioning to the PDRL, these ratios were for both initial and final ratings.

Additional cost data were collected on the average number of dependents per Service member by Military Department, the average annual cost of TRICARE for retirees and their dependents, the average cost of TDRL examinations, the average cost per Service member for travel to TDRL examinations, and the average annual costs of additional TDRL administrative efforts (copying, printing, mailing, etc.).

Military Pay tables for 2012, 2013, and 2014 were used to compute a 36 month average monthly pay, known as High-3, to be used in retired pay computations. The 2014 Military Pay table was also used to compute severance pay.

Inflation rates for military pay, civilian pay, TDRL examinations, TRICARE, and Defense Health Program Non-Pay, Non-Fuel, Other Costs were validated with the Office of the Under Secretary of Defense (Comptroller).

The values for the TDRL in its current state and with a reduced maximum tenure were calculated by applying the applicable pay rates and additional costs (examination, TRICARE, Service member travel, etc.) to the appropriate parameters. The values were then inflated using the applicable rate to the appropriate fiscal year. The values computed to reflect a maximum TDRL tenure reduction were then subtracted from those in the current state.

The following tables were prepared by the DoD Human Resources Activity, Office of the Actuary. The first table provides the changes to the Military Retirement Trust Fund Normal Cost Percentages. The second table provides changes to the Medicare-Eligible Retiree Health Care Fund Per Capita Normal Costs. The Normal Cost Percentage changes when applied to Basic Pays result in the reduction to the Military Department's contribution values. The Per Capita

Normal Cost changes when applied to the End Strengths result in the reduction to the Military Department's contribution values.

Cost estimate: MRF DoD Accrual Cost Estimates for 5 Proposals
Date: 6/13/2014
Done for: Tony Swain
Done by: Pete Zouras (DoD OACT); Reviewed by: Pete Rossi (DoD OACT) and Joel Sitrin (DoD OACT)

The following 5 MRF accrual cost estimates were requested:

1) Current populations exclusively changing TDRL tenure for a maximum of five (5) years to a maximum of three (3) years
2) Inserting IDRL with pay at 70% of High-3 prior to disposition to PDRL, TDRL, Separation, or Return to Duty (RTD) and:
a. TDRL disposition to PDRL pay based on disability rating
b. TDRL disposition to PDRL pay based on years of service
3) Inserting IDRL with pay at 70% of High-3 prior to disposition to PDRL, Separation, or Return to Duty (RTD) and:
a. PDRL pay based on disability rating
b. PDRL pay based on years of service

Notes/Caveats:

- Estimated savings is due to fewer years of retired pay for those who don't make permanent disabled retirement.
- No change in behavior (e.g., retention or propensity to grant disability retirements) as a result of the proposals is assumed.
- Changes in the unfunded liability and outlays from the MRF are not shown.
- Methods and assumptions used to compute baseline and delta NCPs are based on DoD OACT's 2013 MRF valuation, which is used to determine 2015 NCPs.
- Basic pay projections from OSD Comptroller in 2014 President's Budget and reflect total DoD.
- This spreadsheet and backup files saved here:('R'):\Val2013\Requests\WCP TDRL Study (Swain)
- Below assumes FY15 effective date of proposals.
- See discussion of Military Retirement Fund Transaction Process starting on page 35 of the most recent MRF valuation for an explanation of the retired pay accrual within the Unified Budget, link: http://actuary.defense.gov/Portals/15/Documents/MRF_ValRpt2_2012.pdf
- Effect on Military Retirement Fund retired pay accruals should be considered approximate due to time constraints. Methods and assumptions to reflect the change would have to be approved by the DoD Board of Actuaries; this could also lead to differences from the results estimated herein.
- In practice NCP is implemented to nearest tenth of a percent of pay.

Current populations exclusively changing TDRL tenure for a maximum of five (5) years to a maximum of three (3) years

	Basic Pay ($ in bil)		Baseline NCPs				Delta		Delta ($ in bil)				Delta split by Service Branch											
													Full-time Delta($ in bil) *				Part-time Delta ($ in bil) *							
FY	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Total		A	N	M	F	A	N	M	F	Army	Navy	MC	Air Force
2015	$58.034330	$6.757359	32.21714%	22.52484%	32.19646%	22.51144%	-0.02067%	-0.01340%	-$0.011997	-$0.000905	-$0.012902	-12.902	-$0.00489	-$0.00269	-$0.00138	-$0.00303	-$0.00058	-$0.00007	-$0.00004	-$0.00022	-5.468	-2.766	-1.422	-3.247
2016	$57.991516	$6.852716	32.19544%	22.51717%	32.17467%	22.50377%	-0.02077%	-0.01340%	-$0.012046	-$0.000918	-$0.012964	-12.964	-$0.00491	-$0.00270	-$0.00139	-$0.00304	-$0.00059	-$0.00007	-$0.00004	-$0.00022	-5.496	-2.778	-1.428	-3.262
2017	$58.301397	$7.010331	32.18799%	22.50945%	32.16721%	22.49606%	-0.02079%	-0.01339%	-$0.012119	-$0.000939	-$0.013057	-13.057	-$0.00494	-$0.00272	-$0.00140	-$0.00306	-$0.00060	-$0.00008	-$0.00004	-$0.00022	-5.539	-2.795	-1.438	-3.285
2018	$59.169283	$7.072384	32.18263%	22.50169%	32.16196%	22.48830%	-0.02067%	-0.01339%	-$0.012232	-$0.000947	-$0.013179	-13.179	-$0.00499	-$0.00275	-$0.00141	-$0.00309	-$0.00060	-$0.00008	-$0.00004	-$0.00023	-5.590	-2.822	-1.451	-3.316
2019	$60.796184	$7.270411	32.17829%	22.49388%	32.15782%	22.48050%	-0.02047%	-0.01338%	-$0.012445	-$0.000973	-$0.013418	-13.418	-$0.00507	-$0.00279	-$0.00144	-$0.00314	-$0.00062	-$0.00008	-$0.00004	-$0.00023	-5.694	-2.871	-1.477	-3.376
2020	$62.498477	$7.473983	32.17597%	22.49320%	32.15553%	22.47982%	-0.02045%	-0.01338%	-$0.012779	-$0.001000	-$0.013779	-13.779	-$0.00521	-$0.00287	-$0.00147	-$0.00323	-$0.00064	-$0.00008	-$0.00004	-$0.00024	-5.847	-2.949	-1.516	-3.467
2021	$64.248435	$7.683254	32.17264%	22.49320%	32.15220%	22.47982%	-0.02044%	-0.01338%	-$0.013135	-$0.001028	-$0.014163	-14.163	-$0.00535	-$0.00295	-$0.00152	-$0.00332	-$0.00066	-$0.00008	-$0.00004	-$0.00025	-6.010	-3.031	-1.559	-3.564
2022	$66.047391	$7.898385	32.16931%	22.49320%	32.14887%	22.47982%	-0.02044%	-0.01338%	-$0.013502	-$0.001057	-$0.014559	-14.559	-$0.00550	-$0.00303	-$0.00156	-$0.00341	-$0.00067	-$0.00009	-$0.00004	-$0.00025	-6.178	-3.115	-1.602	-3.663
2023	$67.896718	$8.119540	32.16931%	22.49320%	32.14887%	22.47982%	-0.02044%	-0.01338%	-$0.013880	-$0.001086	-$0.014966	-14.966	-$0.00566	-$0.00312	-$0.00160	-$0.00351	-$0.00069	-$0.00009	-$0.00005	-$0.00026	-6.351	-3.203	-1.647	-3.766
2024	$69.797826	$8.346887	32.16931%	22.49320%	32.14887%	22.47982%	-0.02044%	-0.01338%	-$0.014268	-$0.001117	-$0.015385	-15.385	-$0.00582	-$0.00320	-$0.00165	-$0.00360	-$0.00071	-$0.00009	-$0.00005	-$0.00027	-6.529	-3.292	-1.693	-3.871
2025	$71.752165	$8.580600	32.16931%	22.49320%	32.14887%	22.47982%	-0.02044%	-0.01338%	-$0.014668	-$0.001148	-$0.015816	-15.816	-$0.00598	-$0.00329	-$0.00169	-$0.00370	-$0.00073	-$0.00009	-$0.00005	-$0.00027	-6.712	-3.385	-1.740	-3.979
2026	$73.761225	$8.820857	32.16931%	22.49320%	32.14887%	22.47982%	-0.02044%	-0.01338%	-$0.015079	-$0.001180	-$0.016259	-16.259	-$0.00615	-$0.00338	-$0.00174	-$0.00381	-$0.00075	-$0.00010	-$0.00005	-$0.00028	-6.900	-3.479	-1.789	-4.091
5 years (2017-2021)									-$0.06271	-$0.00489	-$0.06760	-67.597	-$0.02556	-$0.01407	-$0.00724	-$0.01584	-$0.00312	-$0.00039	-$0.00020	-$0.00117	-28.680	-14.468	-7.440	-17.008
10 years (2017-2026)									-$0.13411	-$0.01048	-$0.14458	-144.582	-$0.05467	-$0.03010	-$0.01547	-$0.03387	-$0.00668	-$0.00085	-$0.00044	-$0.00251	-61.349	-30.943	-15.912	-36.378

Cost estimate: MERHCF Per Capita Normal Cost Estimates for TDRL tenure reduction and TDRL Placement Based on VA Reevaluation Requirement
Date: 8/19/2014
Done for: Tony Swain
Done by: Pete Zouras /Chelsea Chu (DoD OACT)

Notes/Caveats:

- Assumes shift of 5.9% TDRL to PDRL disabled retirees due to proposal per Tony Swain.
- 0.174% fewer disabled retirees due to reduction of TDRL tenure per Tony Swain.
- Assumes effect of TDRL tenure reduction and TDRL based on VA Reevaluation are additive.
- Deltas below are based on unrounded per capita normal costs. In reality, per capita normal costs are rounded to the nearest dollar.
- No change in behavior (e.g., retention or propensity to grant disability retirements) or claims cost as a result of the proposals are assumed.
- Changes in unfunded liability and outlays from the MERHCF due to the proposal are not shown.
- For a.: Methods and assumptions used to compute baseline and delta normal costs are based on DoD OACT's 2013 MERHCF valuation, which is used to determine 2016 Per Capita Normal Costs.
- For b.: Methods and assumptions used to compute baseline and delta normal costs are based on DoD OACT's 2012 MERHCF valuation, which is used to determine 2015 Per Capita Normal Costs.
- Endstrength projections from OSD Comptroller in 2015 President's Budget and reflect total DoD.
- Changes in the unfunded liability and outlays from the MRF are not shown.
- This spreadsheet and backup files saved here:('R'):\Val2013\Requests\WCP TDRL Study (Swain)
- Below assumes FY15 effective date of proposals.
- Effect on MERHCF accruals should be considered approximate due to time constraints. Methods and assumptions to reflect the change would have to be approved by the MERHCF Board of Actuaries; this could also lead to differences from the results estimated herein.

b.

	Average Strength		Baseline NC Per Capita Amount		TDRL 5 TO 3 (assume 0.174% Reduction)		Delta ($ per person)		Delta ($ in bil)		
FY	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Total
2015	1,390,195	746,523	$4,111.37	$1,750.48	$4,110.93	$1,750.37	-$0.43	-$0.11	-$0.00060	-$0.00008	-$0.00068
2016	1,362,707	731,031	$4,347.77	$1,851.14	$4,347.31	$1,851.02	-$0.46	-$0.12	-$0.00062	-$0.00009	-$0.00071
2017	1,336,620	721,011	$4,597.77	$1,957.58	$4,597.28	$1,957.45	-$0.48	-$0.13	-$0.00064	-$0.00009	-$0.00074
2018	1,323,591	720,322	$4,862.14	$2,070.14	$4,861.63	$2,070.01	-$0.51	-$0.13	-$0.00068	-$0.00010	-$0.00077
2019	1,323,454	720,552	$5,141.71	$2,189.17	$5,141.17	$2,189.03	-$0.54	-$0.14	-$0.00071	-$0.00010	-$0.00082
2020	1,323,454	720,552	$5,437.36	$2,315.05	$5,436.79	$2,314.90	-$0.57	-$0.15	-$0.00075	-$0.00011	-$0.00086
2021	1,323,454	720,552	$5,750.01	$2,448.16	$5,749.40	$2,448.01	-$0.60	-$0.16	-$0.00080	-$0.00011	-$0.00091
2022	1,323,454	720,552	$6,080.63	$2,588.93	$6,080.00	$2,588.77	-$0.64	-$0.17	-$0.00084	-$0.00012	-$0.00096
2023	1,323,454	720,552	$6,430.27	$2,737.80	$6,429.59	$2,737.62	-$0.67	-$0.18	-$0.00089	-$0.00013	-$0.00102
2024	1,323,454	720,552	$6,800.01	$2,895.22	$6,799.30	$2,895.03	-$0.71	-$0.19	-$0.00094	-$0.00013	-$0.00108
2025	1,323,454	720,552	$7,191.01	$3,061.70	$7,190.26	$3,061.50	-$0.75	-$0.20	-$0.00100	-$0.00014	-$0.00114
2026	1,323,454	720,552	$7,604.49	$3,237.74	$7,603.70	$3,237.53	-$0.80	-$0.21	-$0.00106	-$0.00015	-$0.00121
5 years (2017-2021)									-$0.00359	-$0.00051	-$0.00410
10 years (2017-2026)									-$0.00832	-$0.00118	-$0.00951

	Delta split by Service Branch												
		Full-time Delta($ in bil) *				Part-time Delta ($ in bil) *							
FY		A	N	M	F	A	N	M	F	Army	Navy	MC	Air Force
2015	-0.684	-$0.00023	-$0.00014	-$0.00008	-$0.00015	-$0.00006	-$0.00001	$0.00000	-$0.00002	-0.287	-0.148	-0.083	-0.166
2016	-0.709	-$0.00024	-$0.00015	-$0.00008	-$0.00015	-$0.00006	-$0.00001	$0.00000	-$0.00002	-0.297	-0.154	-0.086	-0.172
2017	-0.736	-$0.00025	-$0.00015	-$0.00008	-$0.00016	-$0.00006	-$0.00001	$0.00000	-$0.00002	-0.309	-0.159	-0.089	-0.179
2018	-0.771	-$0.00026	-$0.00016	-$0.00009	-$0.00017	-$0.00006	-$0.00001	$0.00000	-$0.00002	-0.324	-0.167	-0.093	-0.187
2019	-0.816	-$0.00027	-$0.00017	-$0.00009	-$0.00018	-$0.00007	-$0.00001	-$0.00001	-$0.00002	-0.342	-0.177	-0.099	-0.198
2020	-0.862	-$0.00029	-$0.00018	-$0.00010	-$0.00019	-$0.00007	-$0.00001	-$0.00001	-$0.00002	-0.362	-0.187	-0.104	-0.209
2021	-0.912	-$0.00031	-$0.00019	-$0.00010	-$0.00020	-$0.00008	-$0.00001	-$0.00001	-$0.00002	-0.383	-0.197	-0.110	-0.221
2022	-0.964	-$0.00032	-$0.00020	-$0.00011	-$0.00021	-$0.00008	-$0.00001	-$0.00001	-$0.00003	-0.405	-0.209	-0.117	-0.234
2023	-1.020	-$0.00034	-$0.00021	-$0.00012	-$0.00022	-$0.00009	-$0.00001	-$0.00001	-$0.00003	-0.428	-0.221	-0.123	-0.248
2024	-1.079	-$0.00036	-$0.00022	-$0.00012	-$0.00023	-$0.00009	-$0.00001	-$0.00001	-$0.00003	-0.453	-0.233	-0.130	-0.262
2025	-1.141	-$0.00038	-$0.00024	-$0.00013	-$0.00025	-$0.00010	-$0.00001	-$0.00001	-$0.00003	-0.479	-0.247	-0.138	-0.277
2026	-1.206	-$0.00041	-$0.00025	-$0.00014	-$0.00026	-$0.00010	-$0.00001	-$0.00001	-$0.00003	-0.507	-0.261	-0.146	-0.293
5 years (2017-2021)	-4.097	-$0.00138	-$0.00085	-$0.00047	-$0.00089	-$0.00034	-$0.00004	-$0.00003	-$0.00011	-1.720	-0.887	-0.495	-0.995
10 years (2017-2026)	-9.507	-$0.00320	-$0.00198	-$0.00109	-$0.00206	-$0.00079	-$0.00008	-$0.00006	-$0.00025	-3.992	-2.058	-1.149	-2.308

Changes to Existing Law: This section would make the following changes in provisions of existing law:

TITLE 10, UNITED STATES CODE

§ 1210. Members on temporary disability retired list: periodic physical examination; final determination of status

(a) A physical examination shall be given at least once every 18 months to each member of the armed forces whose name is on the temporary disability retired list to determine whether there has been a change in the disability for which he was temporarily retired. He may be required to submit to those examinations while his name is carried on that list. If a member fails to report for an examination under this subsection, after receipt of proper notification, his disability retired pay may be terminated. However, payments to him shall be resumed if there was just cause for his failure to report. If payments are so resumed, they may be made retroactive for not more than one year.

(b) The Secretary concerned shall make a final determination of the case of each member whose name is on the temporary disability retired list upon the expiration of ~~five~~ **three** years after the date when the member's name was placed on that list. If, at the time of that determination, the physical disability for which the member's name was carried on the temporary disability retired list still exists, it shall be considered to be of a permanent nature and stable.

(c) If, as a result of a periodic examination under subsection (a), or upon a final determination under subsection (b), it is determined that the member's physical disability is of a permanent nature and stable and is at least 30 percent under the standard schedule of rating disabilities in use by the Department of Veterans Affairs at the time of the determination, his name shall be removed from the temporary disability retired list and he shall be retired under section 1201 or 1204 of this title, whichever applies.

(d) If, as a result of a periodic examination under subsection (a), or upon a final determination under subsection (b), it is determined that the member's physical disability is of a permanent nature and stable and is less than 30 percent under the standard schedule of rating disabilities in use by the Department of Veterans Affairs at the time of the determination, and if he has at least 20 years of service computed under section 1208 of this title, his name shall be removed from the temporary disability retired list and he shall be retired under section 1201 or 1204 of this title, whichever applies, with retired pay computed under section 1401 of this title.

(e) If, as a result of a periodic examination under subsection (a), or upon a final determination under subsection (b), it is determined that the member's physical disability is less than 30 percent under the standard schedule of rating disabilities in use by the Department of Veterans Affairs at the time of the determination, and if he has less than 20 years of service computed under section 1208 of this title, his name shall be removed from the temporary disability retired list and he may

be separated under section 1203 or 1206 of this title, whichever applies.

(f) (1) If, as a result of a periodic examination under subsection (a), or upon a final determination under subsection (b), it is determined that the member is physically fit to perform the duties of his office, grade, rank, or rating, the Secretary shall--

(A) treat the member as provided in section 1211 of this title; or

(B) discharge the member, retire the member, or transfer the member to the Fleet Reserve, Fleet Marine Corps Reserve, or inactive Reserve under any other law if, under that law, the member--

(i) applies for and qualifies for that retirement or transfer; or

(ii) is required to be discharged, retired, or eliminated from an active status.

(2) (A) For the purpose of paragraph (1)(B), a member shall be considered qualified for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve or is required to be discharged, retired, or eliminated from an active status if, were the member reappointed or reenlisted under section 1211 of this title, the member would in all other respects be qualified for or would be required to be retired, transferred to the Fleet Reserve or Fleet Marine Corps Reserve, discharged, or eliminated from an active status under any other provision of law.

(B) The grade of a member retired, transferred, discharged, or eliminated from an active status pursuant to paragraph (1)(B) shall be determined under the provisions of law under which the member is retired, transferred, discharged, or eliminated. The member's retired, retainer, severance, readjustment, or separation pay shall be computed as if the member had been reappointed or reenlisted upon removal from the temporary disability retired list and before the retirement, transfer, discharge, or elimination. Notwithstanding section 8301 of title 5, a member who is retired shall be entitled to retired pay effective on the day after the last day on which the member is entitled to disability retired pay.

(g) Any member of the armed forces whose name is on the temporary disability retired list, and who is required to travel to submit to a physical examination under subsection (a), is entitled to the travel and transportation allowances authorized for members in his retired grade traveling in connection with temporary duty while on active duty.

(h) If his name is not sooner removed, the disability retired pay of a member whose name is on the temporary disability retired list terminates upon the expiration of ~~five~~ **three** years after the date when his name was placed on that list.