

119TH CONGRESS
2D SESSION

S. 5266

To amend title 10, United States Code, to provide flexibility in the recoupment of separation pay, severance pay, and readjustment pay from members of the Armed Forces receiving veterans' disability compensation.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2026

Mr. RISCH introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 10, United States Code, to provide flexibility in the recoupment of separation pay, severance pay, and readjustment pay from members of the Armed Forces receiving veterans' disability compensation.

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. SHORT TITLE.**

4 This Act may be cited as the "Veterans' Earned Ben-
5 efits Access Act of 2026".

1 **SEC. 2. RECOUPMENT OF SEPARATION, SEVERANCE, AND**
2 **READJUSTMENT PAY FROM MEMBERS OF**
3 **THE ARMED FORCES RECEIVING VETERANS'**
4 **DISABILITY COMPENSATION.**

5 (a) IN GENERAL.—Section 1174(h)(2) of title 10,
6 United States Code, is amended—

7 (1) by inserting “(A)” after “(2)”;

8 (2) by inserting “(as provided under subpara-
9 graph (B))” after “there shall be deducted”; and

10 (3) by adding at the end the following new sub-
11 paragraph:

12 “(B) The Secretary of Veterans Affairs may—

13 “(i) deduct the amount described in subpara-
14 graph (A) from the disability compensation of a
15 member in monthly installments, as a lump sum, or
16 using such other payment plan as the Secretary de-
17 termines appropriate; and

18 “(ii) waive the requirement for such deductions
19 in the case of a member who demonstrates to the
20 Secretary that such deductions would create a finan-
21 cial hardship for the member.”.

22 (b) REGULATIONS.—Not later than 90 days after the
23 date of the enactment of this Act, the Secretary of Vet-
24 erans Affairs shall prescribe regulations to carry out sub-
25 paragraph (B) of section 1174(h)(2) of title 10, United
26 States Code, as added by subsection (a)—

1 (1) to ensure that a deduction from the vet-
2 erans' disability compensation of a member under
3 that subparagraph in a month does not exceed 25
4 percent of the member's veterans' disability com-
5 pensation for that month; and

6 (2) to establish a process under which a mem-
7 ber may apply for a hardship waiver under clause
8 (ii) of that subparagraph.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall—

11 (1) take effect on the first day of the first
12 month beginning after the date on which final regu-
13 lations under subsection (b) are published in the
14 Federal Register; and

15 (2) apply to veterans' disability compensation
16 paid on or after that date.

17 (d) VETERANS' DISABILITY COMPENSATION DE-
18 FINED.—In this section, the term “veterans' disability
19 compensation” has the meaning given the term “com-
20 pensation” in section 101 of title 38, United States Code.

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