

VETERANS LAW

Special Monthly Compensation (SMC)



“To fulfill President Lincoln's promise to care for those who have served in our nation's military and for their families, caregivers, and survivors”



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Topics

- **Background & Basics of SMC**
- **SMC Eligibility/Levels**
- **SMC Formula**





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- **Background & Basics of SMC**
- **SMC Eligibility/Levels**
- **SMC Formula**





Background and Basics of SMC (38 USC § 1114)

- SMC is available for Vets who suffer from certain types of service-connected disabilities
 - i.e. anatomical loss or loss of use (e.g., loss of use of a hand or a foot), or impairment of senses (loss of vision, hearing, etc.)
- SMC is provided in addition to (lowest level) or in lieu of (higher levels) any benefit Vet is entitled to under the VA rating schedule (**38 C.F.R. Part 4**)



Background and Basics of SMC (38 USC § 1114)

- **Unlike the SC disability compensation scheme, SMC rates are determined by non-economic factors**
- **Personal inconvenience, social inadaptability, and profound nature of disability are factors VA considers in awarding SMC**
- **In addition to receiving SMC for loss, loss of use, and certain combinations of loss or loss of use, there are special situations that may warrant a grant of SMC**



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SMC Eligibility

- **Basic levels of SMC include loss or loss of use of individual extremities, loss of senses, housebound benefits, and regular aid & attendance (A&A)**
- **Basic levels of SMC are the building blocks to the higher levels of SMC**
- **Entitlement to basic SMC benefits must be established first; then, the higher rates can be considered**



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Types of SMC

- If Vet qualifies for SMC, he/she will be in one of the following categories:

- SMC (K)

- SMC (S)

- SMC (L) – (L ½)

- SMC (M) - (M ½)

- SMC (N) – (N ½)

- SMC (O)

- SMC (R-1) – (R-2)

- SMC (T)



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Types of SMC

- **Some of the letter categories have ½ levels**
- **The higher levels of SMC (L) through (O), and special aid and attendance benefits (R-1 and R-2) are payable for combinations of anatomical loss or loss of use of the extremities at different levels, blindness, and regular A&A**



SMC Rates Payable 12/1/2025 (no dependents)

- **100% rating (no SMC):** \$3,938.58
- **SMC(K):** \$139.87 for each loss or loss of use (added to Vet's disability comp)
- **SMC(S):** \$4,408.53
- **SMC(L):** \$4,900.83
- **SMC(L^{1/2}):** \$5,154.00
- **SMC(M):** \$5,408.55
- **SMC(M^{1/2}):** \$5,780.00



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SMC Rates Payable 12/1/2025 (no dependents)

- **SMC(N):** \$6,152.64
- **SMC(N ½):** \$6,514.00
- **SMC(O):** \$6,877.12
- **SMC(R-1):** \$9,826.88
- **SMC(R-2):** \$11,271.67
- **SMC(T):** \$11,271.67



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Topics

- Background & Basics of SMC
- **SMC Eligibility/Levels**
- SMC Formula



SMC(K) Eligibility –

38 U.S.C. § 1114(k); 38 C.F.R. § 3.350(a)

- Vets can receive up to 3 awards of SMC(K)
- To receive this award, Vet must have one of the following:
 - **Anatomical loss or loss of use of:**
 - One hand
 - One foot
 - Both buttocks
 - One or more creative organs used for reproduction
 - One eye



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SMC(K) Eligibility

- **To receive this award, Vet must have one of the following (cont'd):**
 - **Complete organic aphonia (constant loss of voice due to disease)**
 - **Deafness of both ears that includes absence of air and bone conduction**
 - **For female Vets, loss of 25% or more of breast tissue from a single breast or both breasts in combination**



SMC(S) Eligibility – 38 U.S.C. § 1114(s); 38 C.F.R. § 3.350(i)

- To receive SMC(S), Vet must have:
 - ONE SC disability rated 100%
 - Includes one SC disability rated less than 100%, but that by itself warrants TDIU - *Bradley v. Peake*, 22 Vet. App. 280 (2008)
 - Does not include multiple disabilities treated as one disability for purposes of TDIU under 38 C.F.R. § 4.16(a)- *Youngblood v Wilkie*, 31 Vet. App. 412 (2019)

AND



SMC(S) Eligibility

- 1) Additional SC disability (or disabilities) separate from the first disability and that is (or are) independently rated at 60% or more (or that combine to a 60% rating or more);**

OR



SMC(S) Eligibility

- 2) **Vet is housebound: SC disabilities directly cause Vet to be substantially confined to home and immediate premises or, if Vet is in an institution, to the ward or clinical areas**
- **AND, it must be reasonably certain that Vet's disability or disabilities and confinement will continue for the rest of Vet's life**



SMC(L) Eligibility -

38 U.S.C. § 1114(I); 38 C.F.R. § 3.352(a)

- Regular A&A, SMC(L), is for Vets whose disabilities are so severe that they need assistance from another person (does not have to be provided by a professional)
- To receive SMC(L), Vet must have one of the following:
 - **Anatomical loss (or loss of use) of:**
 - Both feet
 - One hand and one foot



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SMC(L) Eligibility

- **To receive SMC(L), Vet must have one of the following (cont'd):**
 - **Blindness in both eyes with visual acuity of 5/200 or less**
 - **Permanently bedridden**
 - **Regular (not constant) need for aid and attendance**



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SMC(L) Eligibility

- **Example:**

- **Vet has 5/200 vision loss in the right eye and 5/200 vision loss in the left eye**
- **Vet is evaluated at 100% under DC 6071 and entitled to SMC(L) for blindness in both eyes with bilateral vision of 5/200**



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Aid and Attendance

- **Vet qualifies for SMC based on need for A&A based on any of the following circumstances:**
 - **The need for regular help to perform everyday living activities**
 - **Physical or mental incapacity which requires care or assistance on a regular basis to protect the claimant from hazards or dangers incident to his or her daily environment**



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Aid and Attendance

- **There are 3 levels of Aid and Attendance:**
 - 1. Regular A&A (SMC L)**
 - 2. Special A&A (SMC R-1))**
 - 3. Special A&A – Higher Level of Care (SMC R-2)**



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SMC (L ½) Eligibility

- The following combination of loss or loss of use for the lower and upper extremities and vision loss will entitle a Vet to SMC(L ½)

Loss or Loss of Use of Leg Below Knee	+	Loss or Loss of Use of Arm Above Elbow
Vision: 20/200 (one eye)	+	Vision: Light Perception Only (other eye)



SMC (M) Eligibility – 38 U.S.C. § 1114(m)

- To receive SMC(M), Vet must have one of the following:
 - **Anatomical loss or loss of use of:**
 - Both hands
 - Both legs at the region of the knee
 - One arm at the region of the elbow with one leg at the region of the knee
 - **Blindness in both eyes, having only light perception**
 - **Blindness in both eyes resulting in the need for regular aid and attendance**



SMC(M 1/2) Eligibility – 38 U.S.C. § 1114(p)(m ½)

- The following combinations of loss or loss of use for the lower and upper extremities and vision loss will entitle a Vet to SMC(M ½)

Loss or Loss of Use of a Leg Above Knee	+	Loss of Leg Near Hip
Loss or Loss of Use of Leg Above Knee	+	Loss of Arm Near Shoulder
Loss or Loss of Use of Arm Above Elbow	+	Loss of Leg Near Hip
Loss or loss of use of hand	+	Loss or Loss of Use of Arm Above Elbow
Vision: Light Perception only	+	Vision: No light perception



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SMC(N) Eligibility – 38 U.S.C. § 1114(n)

- **To receive SMC(N), Vet must have one of the following:**
 - **Anatomical loss or loss of use of both arms at the region of the elbow**
 - **Anatomical loss of both legs so near the hip that it prevents the use of prosthetic appliance**



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SMC (N 1/2) Eligibility – 38 U.S.C. § 1114(p)(N ½)

- The following combo of loss or loss of use of the upper extremity will entitle Vet to SMC(N ½)

Loss or Loss of Use of Arm Above Elbow	+	Loss of arm near shoulder
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SMC (O) Eligibility – 38 U.S.C. § 1114(o)

- **To receive SMC(O), Vet must have one of the following:**
 - **Anatomical loss of both arms so near the shoulder that it prevents the use of a prosthetic appliance**
 - **Bilateral deafness rated at least 60% disabling, along with SC blindness with visual acuity of 20/200 or less in both eyes**
 - **Complete deafness in one ear or bilateral deafness rated at least 40% disabling, along with SC blindness in both eyes that includes loss of light perception**



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SMC (O) Eligibility

- **To receive SMC(O), Vet must have one of the following (cont'd):**
 - **Paraplegia/paralysis of both lower extremities, along with bowel and bladder incontinence**
 - **Helplessness due to a combination of loss (or loss of use) of 2 extremities with deafness and blindness, or a combination of multiple injuries causing severe and total disability**
 - **Vet has SC disabilities that would entitle Vet to 2 SMC(L-N) awards, w/out considering any condition twice**



Additional 50% or 100% Disabilities - 38 C.F.R. § 3.350(f)(3), (4)

- If Vet entitled to SMC(L)-SMC(N ½) has SC disabilities independently rated at 50% or more that are separate from the conditions upon which SMC is based and involve different body segments or systems than the disabilities upon which SMC is based, SMC level will be increased:
 - Combined 50%-100% disability = ½ level increase
 - **Can be used multiple times to increase SMC rate – recent case**
 - *Berry v. McDonough*, 101 F.4th 1348 (Fed. Cir. 2024)
 - Single 100% disability (apart from TDIU consideration) = full level increase
 - Cannot increase SMC level above SMC(O)



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SMC (R) Eligibility

- **To receive SMC(R), Vet must be receiving the maximum SMC(O) benefits and require:**
 - **Aid and attendance, or**
 - **Aid and attendance of another person without which Vet would require hospitalization, nursing home care, or other residential type care**



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SMC (R-1) Eligibility

- **SMC(R-1): Special Aid and Attendance Benefits**
- **Vet is entitled to SMC(R-1) when:**
 - **Vet is receiving the max rate of SMC (SMC(O), or SMC(N ½) and SMC(K)); and**
 - **Vet meets the requirements for entitlement to basic / regular A&A**
- **This special benefit is payable whether or not the need for A&A was a partial basis for entitlement to the max rate**



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SMC (R-2) Eligibility

- **SMC (R-2): Special Aid and Attendance Benefits – Higher Level of Care**
- **Vet is entitled to SMC(R-2) when:**
 - **Vet receiving the max rate of SMC (SMC(O), or SMC(N ½) and SMC(K));**
 - **Vet meets the requirements for entitlement to basic / regular A&A; and**
 - **Vet needs a higher level of care (a licensed health care professional or someone under the supervision of a professional)**



SMC (T) Eligibility – 38 U.S.C. § 1114(t)

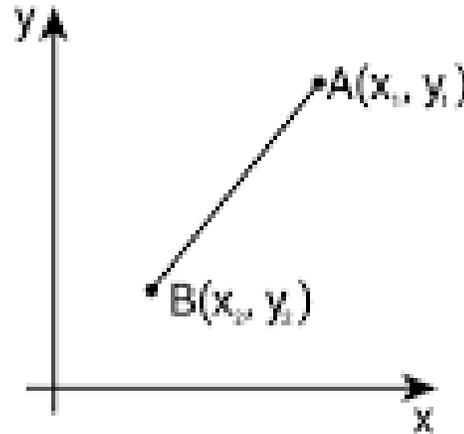
- To receive SMC(T), Vet must meet all of the following:
 - Vet needs regular A&A for the residuals of TBI
 - Vet is not eligible for a higher level of A&A under SMC (R-2); and
 - Vet would need hospitalization, nursing home care, or other residential institutional care w/out in-home A&A
 - **Note:** In August 2024, the CAVC invalidated VA's regulations requiring that the Vet need a "higher level of care." See *Laska v. McDonough*, 37 Vet. App. 460 (2024).
- For Vets who meet all of the above requirements, SMC(T) pays the highest possible amount of monthly VA benefits



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Topics

- Background & Basics of SMC
- SMC Eligibility/Levels
- **SMC Formula**



$$d = \sqrt{(x_2 - x_1)^2 + (y_2 - y_1)^2}$$



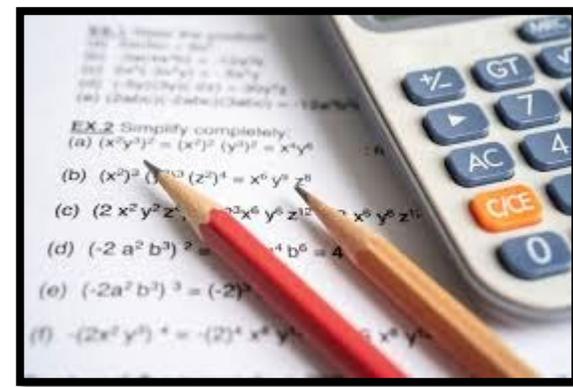
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SMC Formula

- The formula described here can be used to determine the proper rate of SMC when there is a combination of loss (or loss of use) of the hands and feet, or vision impairment involving both eyes
- Formula should help advocates determine the proper SMC rate between SMC(L) and SMC(O) and understand how the various levels of SMC are assigned
- Formula is designed to help advocates understand SMC so that they can best represent their clients



SMC Formula



- Formula does not cover all possible entitlements to SMC—it is not all-inclusive
- There are additional entitlements to SMC, such as combined deafness and blindness, that occur rarely and are not covered by this formula
- Using this formula is a good “double-check” for the VA’s SMC calculation of SMC.
 - **In May 2025, the VA Office of the Inspector General found that one of the calculators raters had been using to calculate SMC payments was not always providing accurate calculations. The VA OIG determined that, because of the faulty SMC calculator, some veterans received overpayments of \$373.18 per month, and others received underpayments ranging from \$132.74 to \$4,170.59 per month. See <https://www.vaog.gov/sites/default/files/reports/2025-05/vaog-24-01083-112-final.pdf>**



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SMC Formula

- When thinking about the various levels of SMC, it helps to think in divisions of 3
- For example:
 - **SMC (L) through (O) generally involve:**
 - Anatomical loss (amputation) or loss of use of a lower extremity at 3 levels, anatomical loss (amputation) or loss of use of an upper extremity at 3 levels, or visual impairment at 3 levels
 - **Lower Extremity**
 - **Upper Extremity**
 - **Visual Impairment**



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SMC Formula

- **Lower Extremity:** there are 3 levels of disability used to evaluate the higher levels of loss or loss of use of the lower extremity
 - **Loss or loss of use of the leg below the knee (anatomical loss below the knee or loss of use of the foot)**
 - **Loss or loss of use of the leg above the knee (anatomical loss above the knee or loss of use at a level or with complications preventing natural knee action with prosthesis in place)**
 - **Loss of the leg near the hip (anatomical loss so near the hip as to prevent use of a prosthetic appliance)**



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SMC Formula

- **Upper Extremity:** there are 3 levels of disability used to evaluate the higher levels of loss or loss of use of the upper extremity:
 - **Loss or loss of use of the hand (anatomical loss below the elbow or loss of use of the hand)**
 - **Loss or loss of use of the arm above the elbow (anatomical loss above the elbow or loss of use of an arm at a level or with complications preventing natural elbow action with prosthesis in place)**
 - **Loss of the arm near the shoulder (anatomical loss so near the shoulder as to prevent use of a prosthetic appliance)**



SMC Formula

- **Visual Impairment: there are 3 levels of disability used to evaluate the higher levels of SMC for visual impairment:**
 - **5/200 (5/200 visual acuity or less)**
 - **Light perception only**
 - **No light perception (blindness without light perception in both eyes or enucleation (removal) of the eyes)**



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SMC Formula

- The formula is based on a point total
- Even point totals (2, 4, 6, 8) correspond to SMC(L), (M), (N), and (O)
- Odd point totals (3, 5, 7) correspond to the intermediate SMC rates: SMC(L $\frac{1}{2}$), (M $\frac{1}{2}$), and (N $\frac{1}{2}$)
- Once 8 points (entitlement to SMC(O)) has been awarded, the formula should not be used



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SMC Formula

- **SMC(L) = 2 points**
- **SMC(L ½) = 3 points**
- **SMC(M) = 4 points**
- **SMC(M ½) = 5 points**
- **SMC(N) = 6 points**
- **SMC(N ½) = 7 points**
- **SMC(O) = 8 points**





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SMC Formula

- **Advocates using the formula must first determine if there is a combination of loss of use or anatomical loss of:**
 - **Both hands/arms;**
 - **Both feet/legs;**
 - **A hand/arm and a foot/leg; or**
 - **Visual impairment of at least 5/200 in both eyes**





Advocacy Advice – SMC Formula

- If there is a combination, then the advocate should start assigning point totals
- Advocates should note that while the point totals for feet/legs and hands/arms may be combined, vision impairment may not be combined with loss or loss of use of the feet/legs or the hands/arms



Assigning Points

- Assign 1 point for the lowest level of impairment that qualifies for SMC
- Example: loss or loss of use of a foot, loss or loss of use of a hand, or 5/200 visual acuity or less is worth **1 point**

1



Assigning Points

- Assign 2 points for the second level of loss, loss of use, or vision impairment
- Example: loss or loss of use of the leg above the knee is worth 2 points





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Assigning Points

- Assign 3 points for the highest level of loss, loss of use, or vision impairment



- Add 2 EXTRA points if there is loss, or loss of use, of both hands/arms





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Assigning Points

- Add 1 extra point if Vet has an additional single permanent disability or combination of permanent disabilities independently ratable at 50% to 90%
- Add 2 extra points if Vet has an additional single permanent disability independently ratable at 100% apart from any consideration of individual unemployability



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SMC Formula

- **Note #1:** Loss of use of a hand (1 point) and light perception in only one eye (2 points) cannot be combined. Vet would be entitled to two SMC(K)s.
- **Note #2:** SMC(O) can also be assigned when Vet has two awards of SMC(L) through (N $\frac{1}{2}$)
 - **Example:** Vet with SC loss of use of both feet who also is SC for 5/200 visual acuity or less in both eyes would be entitled to 2 awards of SMC(L). Since Vet is entitled to 2 awards of SMC(L), Vet would automatically be entitled to SMC(O).



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SMC Formula

- **Note #3:** If Vet is entitled to 2 SMC awards of SMC(L) or higher, and either one of the combined disabilities that made the Vet entitled to SMC(L) also causes the Vet to be in need of A&A (or a combination of the disabilities cause the Vet to be in need of A&A), then Vet would be entitled to SMC(R-1)



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Applying the Formula

- Vet suffers from the following due to SC disabilities:

Loss of left leg above the knee

Loss of use of right hand

- What level of SMC is the Vet entitled to?

A. 2 points/SMC(L)

B. 3 points/SMC(L ½)

C. 4 points/SMC(M)

D. Not Sure



Applying the Formula

B

- **Loss of left leg above the knee = 2 points**
- **Loss of use of right hand = 1 point**
- **Total is 3 points, so Vet is entitled to SMC(L 1/2)**



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Applying the Formula

- **Vet suffers from the following due to SC disabilities:**
 - Loss of right arm near the shoulder
 - Loss of use of left hand
 - Loss of use of right foot

- **What level of SMC is he entitled to?**
 - A. 3 points/SMC(L $\frac{1}{2}$)
 - B. 5 points/SMC(M $\frac{1}{2}$)
 - C. 6 points/SMC(N)
 - D. 7 points/SMC(N $\frac{1}{2}$)



Applying the Formula

D

- Anatomical loss of right arm near the shoulder = 3 points
- Loss of use of left hand = 1 point
- 2 extra points for loss of use of both hands
- Loss of use of right foot = 1 point
- Total is 7 points, so Vet is entitled to **SMC(N 1/2)**



Applying the Formula

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- Vet suffers from the following due to SC disabilities:
 - Loss of left arm above the elbow
 - Loss of use of right hand
 - Visual acuity of 5/200 in right eye

- What level of SMC is the Vet entitled to?
 - A. 3 points/SMC(L 1/2)
 - B. 4 points/SMC(M)
 - C. 5 points/SMC(M 1/2)
 - D. 7 points/SMC(N 1/2)



Applying the Formula

C

Anatomical loss of left arm above the elbow = 2 points

Loss of use of right hand = 1 point (+ 2 extra points for loss of use of both hands)

Visual acuity of 5/200 in right eye = 1 point (but does not count in this case, because visual impairment cannot be combined with loss or loss of use of hands)

Total is 5 points, so Vet is entitled to SMC(M $\frac{1}{2}$)

Vet also gets separate award of SMC(K)



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