

**Department of
Veterans Affairs**

Memorandum

Date: May 28, 2026

Subj: Memo In Lieu of Special Monthly Compensation Calculator (SMC) Update

To: VBMS eFolder

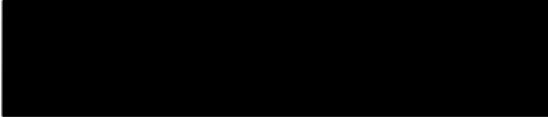
M21-1 VIII.iv.4.A.1.h. requires the mandatory use of the Special Monthly Compensation (SMC) Calculator in all cases involving SMC entitlement. Based on the Federal Circuit's decision in Barry v. McDonough, 101 F.4th 1348 (Fed. Cir. 2024), claimants may now be entitled to multiple half-step considerations for additional independent disabilities rated as 50 percent or more, and multiple full-step considerations for additional independent disabilities rated as 100 percent apart from any consideration of individual unemployability. This memorandum serves as a temporary approach for processing claims requiring SMC determinations while the SMC Calculator is being updated.

Purpose of This Document

This memorandum will be used in place of the SMC calculator print-off to document specific scenarios involving multiple step allowances under 38 CFR 3.350(f)(3) and 38 CFR 3.350(f)(4). This ensures claims continue progressing without delay while the necessary updates to the SMC calculator are completed.

Procedure for Use

The memorandum will be uploaded into the Veteran's VBMS eFolder in place of the SMC calculator print-off. Claims processors will update this memorandum to detail the specific scenario requiring SMC determination below:

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- **Hospitalization Rate:** 49
- **Summary of SMC entitlements:** R-1

Effective Date	Basic Code	Hosp Code	LOU Code	Anat Loss Code	Other Loss Code	SMC
04-28-2020	18	48	00	00	4	P(L½)
07-16-2025	20	48	00	00	4	P(M½)
10-07-2025	21	48	00	00	4	P(N)
11-07-2025	22	48	00	00	4	P(N½)
03-02-2026	43	49	00	00	5	R-1

- **Is Hospitalization Code correct? (Y/N): Y**
(If not, provide correct code):

SMC PARAGRAPHS (IF ANY):

{L-1} Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (l) and 38 CFR 3.350(b) on account of being so helpless as to be in need of regular aid and attendance while not hospitalized at U.S. government expense from April 28, 2020.

{P-1} Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (p) and 38 CFR 3.350(f)(3) at the rate intermediate between subsection (l) and subsection (m) on account of entitlement to the rate equal to subsection (l) with additional disability(ies), **post-traumatic stress disorder with depressive disorder and mild neurocognitive disorder** independently ratable at 50 percent or more from April 28, 2020, to July 15, 2025.

{P-2} Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (p) and 38 CFR 3.350(f)(4) at the rate equal to subsection (m) on account of entitlement to the rate equal to subsection (l) with additional disability, **arteriosclerotic heart disease to include coronary spasm, Prinzmetal's angina, heart failure with mid range ejection fraction** independently ratable at 100 percent from July 16, 2025.

{P-1} Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (p) and 38 CFR 3.350(f)(3) at the rate intermediate between subsection (m) and subsection (n) on account of entitlement to the rate equal to subsection (m) with additional disability(ies), **post-traumatic stress disorder with depressive disorder and mild neurocognitive disorder** independently ratable at 50 percent or more from July 16, 2025 to October 6, 2025.

{P-2} Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (p) and 38 CFR 3.350(f)(4) at the rate equal to subsection (n) on account of entitlement to the rate equal to subsection (m) with additional disability, **post-traumatic stress disorder with depressive disorder and mild neurocognitive disorder** independently ratable at 100 percent from October 7, 2025.

{P-1} Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (p) and 38 CFR 3.350(f)(3) at the rate intermediate between subsection (n) and subsection (o) on account of entitlement to the rate equal to subsection (n) with additional disability(ies), **Parkinson's disease, tinnitus, painful scar, balance impairment** independently ratable at 50 percent or more from November 7, 2025.

{K-1} Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (k) and 38 CFR 3.350(a) on account of loss of use of a creative organ from March 2, 2026.

{R-1} Entitled to additional aid and attendance allowance under 38 U.S.C. 1114, subsection (r)(1) and 38 CFR 3.350(h) subject to the provisions of 38 CFR 3.552(b)(2) on account of entitlement at a rate intermediate between subsections (n) and (o) plus the rate authorized under subsection (k), and being in need of regular aid and attendance from March 2, 2026.

Exclusion from Quality Review

To support uninterrupted claims processing, memoranda submitted under this interim guidance will be excluded from quality review purposes. This exclusion recognizes the current unavailability of the SMC calculator to accurately calculate half-step and full-step determinations.

Effective Period

Further communication will be provided once updates to the SMC calculator have been implemented. Until then, the memo will be used in place of the SMC calculator print-off.