

Memo in Lieu of SMC Calculator – Appendix A

Department of Veterans Affairs

Memorandum

Date: [Input Date]

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:

- **Veteran Name:**
- **File Number:**
- **SMC Basic and Hospitalization Rate:**
- **Summary of SMC entitlements:**
- **Is Hospitalization Code correct? (Y/N):**
(If not, provide correct code):

Effective Date	Basic Code	Hosp Code	LOU Code	Anat Loss Code	Other Loss Code	SMC

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.