



# Special Monthly Compensation

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2016 Annual Fall Training Conference




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## SPECIAL MONTHLY COMPENSATION

As the concept of rating disabilities has evolved over the many years, the VA realized that certain disabilities warrant additional payment above the schedular allowance. Therefore, "Special Monthly Compensation" came about to recognize the severity of certain disabilities or combinations of disabilities by adding an additional compensation to the base rate. Generally speaking, SMC is granted for disabilities where the disability picture involves:



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1. Loss or loss of use of specific organs, sensory functions or an extremity;
2. Disabilities that render the Veterans permanently bedridden or in need of aid and attendance (A&A);
3. Combinations of severe disabilities that significantly affect locomotion;
4. Existence of multiple, independent disabilities each rated at 50% or 100%, 3<sup>rd</sup> affected extremity, deafness and blindness together, and blindness and LOU of extremity;



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5. Level of severity included one or more higher level SMCs (L, M, N, O) and there is a need for A&A based on a higher degree of impairment;

6. Existence of multiple disabilities which, in total, render the Veteran in need of such a degree of skilled assistance that, without same, would be permanently confined to a skilled-care nursing home (higher level of care)

7. Existence of a single disability rated at 100% and additional service-connected disability(ies) independently ratable at 60% or more;



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8. Disabilities that confine the veteran to his/her residence.

**SMC is paid in addition to schedular disability compensation.** SMC Levels are evaluations, not disabilities. Thus they accrue protection under 38 CFR 3.951.

They are referred to in VA vernacular or acronym by the letter of the subparagraph of 38 USC 1114 that establishes the rate of payment. For example SMC "K" refers to 38 USC 1114(k) that establishes the rate. Thus, that SMC is referred to as a "K".



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### Types of SMC

**SMC (K)** Loss of use of specific organs, sensory functions, or extremity.

**SMC (L)** Disability that renders the Veteran permanently bedridden or in need of Aid and Attendance.

**Higher level of SMC (L, M, N, O)** combinations of severe disabilities that significantly affect locomotion.

**P-steps** address the existence of multiple, independent disabilities each rated at 50% or 100%, 3<sup>rd</sup> affected extremity, deafness and blindness together, and blindness and LOU of extremity.

**SMC (R1)** Level of severity includes one or more higher level SMCs (L, M, N, O) and there is a need for A&A based on a higher degree of impairment.

**SMC (R2)** Existence of multiple disabilities which render the Veteran in need of special skilled assistance referred to as "Higher Level of Care"



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**SMC-S (\$3,253.67) Requires:**

- (S1) Single 100% Disability, and
- Additional S/C disabilities at 60%, or
- (S2) Being factually housebound due to service connected disability.

\*The court decided that if IU was granted based on one disability it counts as a single



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**SMC –L (\$3,617.02) Requires:**

- Anatomical loss or LOU Both Feet; or
- One Hand and One Foot
- Blindness-Both Eyes, defined as 5/200 Visual Acuity or less bilaterally, or Concentric contraction of visual fields Beyond 5 degrees in both eyes.
- Need for Regular Aid & Attendance.
- Permanently bedridden.



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**SMC-M (\$3,991.74) Requires:**

- Loss of LOU of Both Hands
- Loss or LOU of Both Legs at above the Knee
- Loss or LOU of one Arm above the Elbow and Loss or LOU of one Leg above the Knee.
- Blindness in both Eyes having only Light Perception
- Blindness in Both Eyes leaving Vet so helpless as to need regular Aid and Attendance.



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**SMC- N (\$4,540.89) Requires:**

- Loss or LOU of both Arms above the Elbows.
- Anatomical Loss of both Legs so near the Hips as to prevent use of a prosthetic appliance.
- Anatomical Loss of one Arm so near the Shoulder as to prevent use of a prosthetic appliance with anatomical loss of one leg so near the Hip as to prevent use of a prosthetic appliance.
- Anatomical Loss of both Eyes or Blindness without light perception in both eyes.



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**SMC- O (\$5,075.60) Requires:**

- Anatomical loss of both Arms so near the Shoulders as to prevent use of a prosthetic appliance.
- Condition entitling to two or more rates between L through N (no condition being considered twice)
- Bilateral Deafness rated at 60% or more in combination with S/C Blindness with Bilateral Visual Acuity of 5/200 or less.



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- S/C total deafness in one ear or bilateral deafness rated 40% or more in combination with S/C Blindness both eyes having light perception or less.
- Paraplegia of both lower extremities with loss of Bladder control, even if Bowel and Bladder is controlled by a strict regimen of Bowel and Bladder training and other auxiliary measures.



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### Intermediate Rates- P Elevations

- 50%                    ½ Step
- 100%                 Full Step
- Triple Extremity    ½ Step

Blind/Hand or Foot   ½ Step  
(Only with 100% Blindness)



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### SMC – Q    (\$ 67.00)

- 38 CFR 3.350(g) Has been repealed, but payments
- Statutory rate for arrested TB if rated 0%.
- Applies ONLY to veterans service connected before 8-18-68.
- This minimum SMC is not be combined with or added to any other service-connected disability compensation.



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### SMC –R1 (\$7,252.63) Requires:

- Entitlement at the R1 rate is predicated on the following:  
   Veteran is entitled to receive compensation at USCA 1114(o); or at the maximum rate pursuant to 38 USCA 1114(p); or at the intermediate rate between 38 USCA 1114(n) and (o) and at a rate authorized under (k); **and** he/she is in need of regular Aid and Attendance pursuant to 38 CFR 3.352(a).



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There is entitlement to the R-1 rate, whether or not entitlement to the "o" rate is due in part to the need for regular A&A.

Most veterans who meet the requirements for SMC at the "o" rate, do so on the basis of conditions entitling to two or more rates (no condition being considered twice) provided in 38 USCA 1114(l) through (n).

In such cases, there is usually a separate need for A&A. When separate A&A is present, entitlement to the "o" rate ensures entitlement to the "R-1" rate.



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**SMC R-2 (\$8,318.95) Requires:**

- Higher level of Aid & Attendance 38 CFR 3.352(b)
- Must be entitled to R-1
- Without higher level of care, veteran would be institutionalized
- Need must be certified by VA physician.
- Personal health care services are provided on a daily basis in the veteran's home by a licensed health care professional such as a doctor of medicine or osteopathy, registered nurse, licensed practical nurse, or a physical therapist.



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**SMC (t) (\$8,318.95) Requires:**

- Same rate as R-2
- Any veteran who experienced residual of TBI due to combat, training for combat, non-combat blast injuries and accidents, motor vehicle accidents, falls, may be eligible for VA disability compensation.
- Vet needs regular A&A for residuals of TBI, and
- Not eligible for higher level of A&A under (r)(2), and
- Vet would require hospitalization, nursing home care, or other residential institutional care without



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regular in-home A&A, but does not need to show the need for the care of a licensed health care professional.

- A&A can be provided by spouse, family member, or neighbor of the veteran.
- Doctor's statement that veteran would have to be institutionalized without in-home care he/she receives, included and explanation of reasoning.



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### Hospital Reduction Principles

- Additional compensation for A&A is reduced while hospitalized, *unless* the disability is paraplegia with loss of bowel and bladder or Hansen's (leprosy).
- R1 and R2 are *always* reduced during hospitalization to at most O.



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### Hospital Reductions

- O based on L (A&A) plus L  
*Reduce to M*
- O based on L (A&A) plus M  
*Reduce to N*
- O based on L (A&A) plus N  
*Remains at O*



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## SMC for Eyes

- Three levels:
  - 5/200
  - LPO
  - NLP or Anatomical loss



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## Special Benefit

- Auto Allowance
  - Permanent bilateral visual impairment
  - Central visual acuity 20/200 in better eye



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## Blind Summary

**K** = Single eye at LPO level  
**L** = Both eyes 5/200  
**M** = Both eyes LPO or Both eyes 5/200 plus A&A due to blindness  
**N** = Anatomical loss or NLP  
**P** = Blind and loss of foot or hand. Keep elevations for 50 and 100%..

*Level 1* = 5/200  
*Level 2* = LPO  
*Level 3* = Anatomical loss or NLP



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## Eyes and Ears

- Additional SMC is provided for bilateral blindness with deafness of all degrees.



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## Eyes and Ears

| Blindness Level     | Deafness | Elevation                        |
|---------------------|----------|----------------------------------|
| • 5/200 bilaterally | 30%      | Step - 38 CFR 3.350(f)(2)(iv)    |
|                     | 60%      | SMC O - 38 CFR 3.350(e)(1)(iii)  |
| • LPO or NLP        | 10%, 20% | 1/2 Step - 38 CFR 3.350(f)(2)(v) |
|                     | 30%      | Step - 38 CFR 3.350(f)(2)(vi)    |
|                     | 40%      | SMC O - 38 CFR 3.350(e)(1)(iv)   |
|                     | 60%      | SMC O - 38 CFR 3.350(e)(1)(iii)  |




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