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Supreme Court Ruling Affects Retroactive Veteran Benefits

In January 2023, the United States Supreme Court ruled on a case addressing retroactive disability benefits for military veterans. The Court's decision has important implications for how soon veterans with disabilities should apply to the VA for assistance — as well as how much past coverage they can expect to receive.

Benefits for Veterans With Service-Related Disabilities

The United States pays veterans for disabilities that wartime service caused or worsened. Veterans can apply to the Department of Veterans Affairs (VA) for compensation for physical conditions and diseases, or for mental illnesses such as post-traumatic stress disorder.

Dishonorable discharges disqualify applicants. Causing the impairment through either recklessness or abusing drugs also makes veterans ineligible.

Effective Date

When the VA approves an application for a veteran's disability benefits, it sets an effective date for the coverage to begin. The start date for payments is the day the VA obtains the veteran's benefits application, no earlier.

There are exceptions to this rule. One exception involves those who submit applications within a year after discharge.

For example, if the VA receives the application within a year after the veteran leaves service, the benefits retroactively start on the day after the veteran's discharge date. Most exceptions permit the benefits to accrue up to a year earlier.

Arellano v. McDonough

Thirty years after his discharge, Navy veteran Mr. Adolfo Arellano applied for benefits. The VA regional office assigned him an effective date for the day the department received his application, meaning he would not receive money for the previous 30 years.

Mr. Arellano asserted that his mental health conditions had prevented him from submitting a timely application. Wanting compensation for the past 30 years, he argued that he was entitled to the benefits he would have received if he had applied within a year of leaving the Navy.

In *Arellano v. McDonough*, the case that has been decided by the Supreme Court, Arellano argued that he would have applied for benefits within a year of his discharge, but his mental illnesses impeded him. He claimed that these extenuating circumstances should allow him to receive money for his disability retroactively.

In the decision, the Supreme Court interpreted a statute governing when benefits for disabled veterans start. It concluded that the exception cited by Arellano did not apply. According to the court, special circumstances do not delay the time limit. To receive retroactive benefits under the exception, applicants must apply within a year of leaving service.

It found that the United States does not have to pay Mr. Arellano for the 30 years of disability before his benefits request.

Effect of the Decision on Disability Benefits

Given the Supreme Court's decision, the VA and federal courts will be unlikely to extend benefits beyond the one-year limit – even when extraordinary circumstances are present. For veterans who qualify for benefits but miss the deadlines Congress has outlined, their benefits will likely start no earlier than the date of application receipt.

The following examples illustrate how the *Arellano v. McDonough* ruling could affect other delayed applicants:

- In the event that their disabilities worsen, veterans can receive larger compensation awards. The earliest date that their increase in disability occurred constitutes the effective date for their increase in benefits. The VA must receive the application within one year of the date the disability worsened.

When veterans apply for an increase in benefits **more than one year** after their disabilities adversely progress, the VA will likely assign an effective date no earlier than the date it receives the veteran's application. Retroactive benefits likely will **not** extend to those whose worsening disabilities prevented them from meeting the one-year deadline.

- For awards of death compensation, dependency and indemnity compensation, and death pensions, the effective date is the first date of the month the death occurred, provided that the office obtains the application within a year of the death date.

According to the default rule, those who apply **more than one year** after the death will receive an effective date no later than the date of application receipt. Because they missed the deadline, the exception does not apply.

Applicants Should Apply Early

Given the implications of *Arellano v. McDonough*, those seeking benefits for service-related disabilities and deaths should apply to the VA as soon as they can in order to receive maximum benefits.

Upon discharge, veterans with disabilities should begin working on their applications to ensure they meet the one-year deadline exception. If their applications are successful, they may receive retroactive benefits for up to one year. Waiting too long to apply can result in missing out on retroactive payments.

Veteran Benefits Attorney

While courts typically apply Supreme Court decisions, they may elect to distinguish cases from legal precedents in particular situations. The Supreme Court can also overrule its decisions in the future.

Those seeking an extension on statutory deadlines should speak with an attorney. Veteran benefits attorneys can also help individuals with applying for benefits and meeting applicable deadlines. Find a special needs attorney in your area for guidance. For more information on 2023 VA disability rates, visit the [VA website](#).