



NVLSP
NATIONAL VETERANS LEGAL SERVICES PROGRAM

Soto v. United States and
Retroactive Combat-Related Special Compensation
("CRSC")
Frequently Asked Questions

August 2025

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Soto v. United States and

Retroactive Combat-Related Special Compensation ("CRSC")

Frequently Asked Questions

What was the effective date for CRSC prior to *Soto v. United States*?

Prior to the decision in *Soto v. United States*, the Department of Defense (DOD) limited CRSC retroactive benefits to a maximum of six years from the date the veteran applied. The CRSC statute does not contain the limitation of six-years from the date of application. Instead, the law provides that CRSC will be awarded effective on the latest date of (1) the date of retirement, (2) the effective date of VA service connection of the particular disability, or (3) the date that CRSC was enacted by statute.

What happened in *Soto v. United States*?

NVLSP and Sidley Austin LLP filed a class action lawsuit in 2017 on behalf of Mr. Simon Soto and a class of similarly situated veterans who were improperly denied \$10,000 or less of retroactive CRSC benefits due to the six-year limit. On December 16, 2021, the U.S. District Court for the Southern District of Texas issued an order stating that DOD was not complying with the law. The District Court ruled that DOD was liable for CRSC improperly withheld. On appeal, the Federal Circuit reversed the lower court's ruling. After further appeal, on June 12, 2025, the U.S. Supreme Court ruled unanimously that the six-year limit did not comply with the law. This resolved the issue of law in *Soto*, and the case is closed.

What about veterans owed more than \$10,000?

NVLSP and Sidley pursued a separate case for veterans who are owed more than \$10,000, *Christopher Carey v. United States*. DOD has indicated that they plan to treat all veterans the same, regardless of the amount owed. The *Carey* case for veterans owed more than \$10,000 is currently open in the U.S. Court of Federal Claims.

Which Veterans will Benefit from the decision in *Soto*?

Veterans who (1) have been granted CRSC benefits, (2) qualified for retroactive CRSC benefits for a period longer than six years from the date they filed for CRSC, and (3) whose retroactive benefits were limited to only six years from the date of their initial application. Because many veterans retired based on 20 or more years of service receive Concurrent Receipt Disability Pay (CRDP), longevity retirees are less likely to benefit from the *Soto* decision. Veterans may not receive both CRDP and CRSC. Therefore, the *Soto* decision likely will benefit medically retired veterans primarily, but every veteran's situation is different.

CRSC Eligibility

Preliminary Requirements to Qualify for CRSC:

- Veteran must be retired, either longevity (20 or more years of service) or medically retired.
 - If a veteran served in the reserves or national guard, and is eligible for retirement based on points, but is not medically retired, they are not eligible for CRSC until they are eligible to receive military retired pay, which in most cases is when they turn 60 years old.
- Must be in a retired status (Temporary Disabled Retired List qualifies).
- Must be currently entitled to military pay.
- Must have a qualifying disability rating from the VA.

Final Criteria to Qualify for CRSC:

- For a condition to qualify for CRSC, it must be combat-related under CRSC standards, which means the incident or event responsible for the condition must fit into one of the following categories:
 - As a direct result of armed conflict.
 - While engaged in hazardous service.
 - In the performance of duty under conditions simulating war.
 - Through an instrumentality of war.
 - Injuries for which a member was awarded a Purple Heart

How is the earliest eligibility date for a condition for CRSC determined?

- The law authorizing medically retired veterans to be eligible for CRSC was signed into law on January 28, 2008. The law did not make CRSC benefits retroactive prior to the passage of the statute in 2008. The earliest possible effective date for any CRSC condition for a medically retired veteran is January 2008.
- CRSC is awarded on a condition-by-condition basis. For each specific condition, the CRSC effective date is the later of the two dates:
 - The effective date of the veteran's retirement.
 - The effective date of the VA rating for a condition.

What are the benefits of removing the six-year limit on retroactive CRSC benefits?

The removal of the six-year limit now means that a medically retired veteran can receive retroactive benefits back to the latest of the following dates: (1) January 2008, (2) the date of retirement, or (3) the effective date of the VA rating for the claimed condition. The latest of those dates applies, regardless of the date when the veteran applies for CRSC.

What are some examples?

- If a veteran was medically retired on April 1, 1975, after serving in Vietnam, and was granted service connection by the VA for a condition linked to Agent Orange exposure in May 2000, then the earliest possible effective date for a CRSC benefit for the condition linked to Agent Orange exposure would be January 2008, the date the CRSC statute was effective for medically retired veterans.
- If a veteran was medically retired on May 30, 2009, and was granted service connection by the VA for tinnitus effective June 1, 2009, then the earliest possible effective date for a CRSC benefit for the veteran's tinnitus would be June 2009, the date of service connection.
- If a veteran was medically retired on June 1, 2020, and was granted service connection by the VA for asthma incurred from burn pits in the Gulf War with an effective date September 1, 2023, then the earliest possible effective date for a CRSC benefit for the veteran's asthma would be September 2023, the date of service connection.
- If a veteran who was medically retired effective November 2, 2012, and was granted service connection for migraines with an effective date of July 2, 2018, then the earliest possible effective date for a CRSC benefit for the veteran's migraines would be July 2018, the date of service connection.
- If a veteran was medically retired on August 10, 2008, but had been previously service connected for a gunshot wound to the hip after an earlier period of service ending in 2000, then the earliest possible effective date for a CRSC benefit for the veteran's gunshot wound to the hip would be August 2008, the date of retirement.

How do I know if I am a member of the *Soto* class?

In 2021, DOD sent notices to approximately 9,000 individuals who were identified as belonging to the *Soto* class at that time. You are a *Soto* class member if you were sent notice in 2019 and did not opt out at that time. The notice included veterans entitled to more and less than \$10,000. For veterans who were retired, obtained service connection, or received a CRSC decision after the 2021 notice to class members, there has not been any class notice. A detailed review of files would be required to determine whether a veteran is a class member.

What if I was awarded CRSC benefits but the retroactive benefits were limited to a maximum of six years?

Prior to the decision in *Soto*, veterans were limited to receiving a maximum of six years of retroactive CRSC benefits, from the date the veteran filed their CRSC application. The *Soto* decision removes the six-year limit so that a veteran who was previously denied CRSC benefits due to the six-year limit is now entitled to receive additional retroactive benefits for the period of time that they otherwise qualified, but were denied due to the six-year limit.

- **Example:**

- If a veteran retired in August 2010, and was granted service connection for knee strain, with an effective date of June 2012, and then applied for CRSC benefits in November 2020, prior to *Soto* the effective date for the veteran's CRSC benefits for retroactive payment would have been November 2014. After the decision in *Soto*, the veteran is entitled to an additional retroactive payment for the period of June 2012 to November 2014.

Will retroactive benefits be the same as current CRSC benefits?

- Probably not. CRSC rates are based on VA compensation rates and there has been a cost-of-living adjustment most years. Rates paid in 2025 are different than rates paid, for example, 10 years ago. Moreover, keep in mind:
 - If the disability rating for one or more conditions currently receiving CRSC was lower more than six years prior to the start of CRSC, then the retroactive benefits will be lower than current benefits.
 - If one or more conditions currently receiving CRSC were not service connected more than six years prior to the start of CRSC, then the retroactive benefits will be lower than current benefits.

Who is not eligible for additional retroactive benefits pursuant to *Soto*?

- Veterans who have not yet applied for CRSC.
- Veterans who applied for CRSC less than 6 years after being retired.
- Veterans who applied for CRSC less than 6 years after being service connected.
- Veterans who received a retirement based on years of service and received full or even partial CRDP immediately upon retirement are unlikely to benefit, but each situation is different.
- Veterans who do not meet both the preliminary and final criteria to qualify for CRSC.

What is being done to implement *Soto*?

DoD provided the following information in a status report to the court in the *Carey* case in mid-August 2025:

The Department of Defense (DoD) is in the process of drafting a directive to the military branches and the Defense Finance and Accounting Service (DFAS) with guidance for implementing the decision in *Soto* both retroactively to individuals who have had the Barring Act applied to their Combat Related

Special Compensation (CRSC) claims and prospectively with respect to future CRSC claims. That guidance is expected to be finalized this month.

The Army has published on the internet that “implementation is on hold until the Department of Defense issues formal guidance.” The Army website further states: “No action required — the Army will update all CRSC claims automatically,” and veterans should “expect the process to take several months.” The Army estimated that there are approximately 7,000 impacted Army veterans. See [https://www.hrc.army.mil/content/CRSC%20\(Combat-Related%20Special%20Compensation\)](https://www.hrc.army.mil/content/CRSC%20(Combat-Related%20Special%20Compensation))

As of the date of publication of this FAQ, the Air Force, Navy, Marine Corps, and Coast Guard CRSC websites continue to list the six-year limitation on retroactive CRSC that was invalidated in *Soto*.

NVLSP has seen the six-year statute of limitations applied following the *Soto* decision.

We recommend all veterans check their monthly statements from the Defense Finance and Accounting Service (DFAS) in the coming months to see if they have been awarded additional retroactive benefits.

Will Attorneys’ Fees Be Deducted From My Award?

No amount of the potential attorneys’ fees will be deducted from veterans’ benefits. Counsel have filed a motion with the *Soto* court in the United States District Court for attorneys’ fees under the Equal Access to Justice Act. If fees are obtained, these funds will be totally separate from additional retroactive benefits provided to veterans.

Do I need to hire a lawyer?

You do not have to hire or find your own lawyer, but you have the right to retain independent counsel if you wish.

You may contact NVLSP to see if you qualify for our free legal assistance with the CRSC process. You may apply online at <https://www.nvlsp.org/what-we-do/lawyers-serving-warriors/>.

You may reach out to NVLSP at crsclawsuit@nvlsp.org with any questions regarding the lawsuits.

What if I never applied for CRSC but think I qualify?

You may contact NVLSP to see if you qualify for our free legal assistance with the CRSC process. You may apply online at <https://www.nvlsp.org/what-we-do/lawyers-serving-warriors/>.