NVLSP
NATIONAL VETERANS LEGAL SERVICES PROGRAM

Soto v. United States and *Ploe* v. *United States*

Retroactive Combat-Related Special Compensation ("CRSC")

Frequently Asked Questions

October 2026

Disclaimer

This self-help guide provides general information only. It does not constitute legal advice. It also cannot substitute for advice from an attorney who knows the particulars of your case. Use the information in this guide at your own risk. We have made every effort to provide reliable, up-to-date information, but we do not guarantee its accuracy. The information in this guide is current as of October 2026.

© Copyright NVLSP 2026. These materials are the property of NVLSP and are made available at no charge. For parties interested in using or distributing these materials, please note that no alterations are permitted and proper attribution must be given to NVLSP.

Retroactive Combat-Related Special Compensation ("CRSC")
Frequently Asked Questions

Soto v. United States (6 year limit on retroactive CRSC)

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. CRSC is provided beginning the first full month of eligibility.

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 first full month following the effective date of the veteran's retirement.
    - The first full month following 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 first full month following the date of retirement, or (3) the first full month following 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 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 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 August 2018, the date of first full month following 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 September 2008, the first full month following 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 both 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 1, 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*?
On August 20, 2025, the Department of Defense (DoD) issued Interim Guidance to the CRSC Boards to stop applying the Barring Act to limit CRSC benefits. The Interim Guidance further directed the Boards to identify veterans whose retroactive CRSC awards were limited by the Barring Act and to ensure they are compensated according to the effective date in the statute.

DOD has begun issuing revised notices of eligibility with recalculated effective dates to class members. As of September 4, 2026, DOD identified approximately 14,000 individuals whose cases may have been impacted by the *Soto* decision. The CRSC boards have collectively reviewed more than 7,500 claims and the Defense Finance and Accounting Service (DFAS) has processed and paid (if warranted) nearly 3,000 claims.

Ploe v. United States (limit to month after application)

Effective Date For Decisions Issued After August 20, 2025
The August 20, 2025, Interim Guidance discussed above specified a new policy for determining the effective date for CRSC awards for decisions issued by the CRSC Boards after August 20, 2025. The new policy set the effective date as the month after a completed application is received by the CRSC Board.

Challenge to August 20, 2025, Interim Guidance
In November 2025, NVLSP, Sidley Austin, and Hogan Lovells filed a complaint, *Doe* v. *U.S.*, challenging this policy as violating the text, structure and purpose of the CRSC statute.

Effective Date Policy Changed Again January 30, 2026
On January 30, 2026, the DOD revised the August 20, 2025 Interim Guidance on the effective dates of CRSC determinations. On that date it issued *Clarifying Guidance on Effective Dates of Combat-Related Special Compensation*. Ploe v. U.S. Exhibit 1 The Clarifying Guidance stated that veterans who submitted a CRSC application prior to August 20, 2025, or who had a VA disability compensation claim pending on August 20, 2025, would be eligible to receive retroactive CRSC benefits back to when they first met the requirements of being retired and having been granted service connection for the claimed condition(s). The Clarifying Guidance provided full retroactive benefits as required by the CRSC statute for veterans who applied for CRSC prior to August 20, 2025. For veterans who applied for CRSC after August 20, 2025, or who did not have a VA disability compensation claim pending on that date, the Clarifying Guidance maintained the Interim Guidance's policy of limiting retroactive benefits to the month following the date of application.

Challenge to DOD's Clarifying Guidance
On March 13, 2026, NVLSP and Sidley filed an amended complaint which substituted four new named plaintiffs: Sergeant First Class Timothy Ploe, Staff Sergeant Kyle Montgomery, Sergeant Jerry Coleman, and Specialist Byron Benitez. Ms. Doe is no longer a named plaintiff. The caption for the case is now *Ploe v. U.S.* The amended complaint challenged the Clarifying Guidance as well as the Interim Guidance. Plaintiffs moved for class certification.

DOD Rescinds Limits on Retroactive CRSC Benefits
On May 14, 2026, the DOD issued new guidance, rescinding both the Interim and Clarifying guidance limitations on retroactive CRSC benefits. *May 14, 2026 New Guidance* . The new guidance directs that veterans approved for CRSC should receive retroactive benefits in compliance with the CRSC statute. As explained above on page 2, retroactive benefits are awarded, after the date of the enactment of the CRSC statute, back to the first full month the veteran was both retired and had been granted service connection for the condition(s) granted CRSC, regardless of when the application was submitted to the CRSC Board. Additionally, the May 14, 2026 Guidance directs the military branches to review all the records of veterans who have been granted CRSC whose retroactive benefits were impacted by the Interim and/or Clarifying Guidance and to correct the effective date for CRSC benefits to the first full month they were both retired and had been granted service connection for the conditions granted CRSC.

Reviews of Records Impacted by the Interim and Clarifying Guidance Have Reportedly Begun
DOD has reportedly begun reviewing the records of veterans who were negatively impacted by the post-*Soto* Interim and/or Clarifying Guidance limiting CRSC effective dates, as directed by the May 14, 2026 Guidance. Veterans whose retroactive CRSC benefits were limited to the month following their application date may receive a notice with a corrected effective date and additional retroactive payment as these reviews proceed.

Will Attorneys' Fees Be Deducted From My Award?

No amount of the potential attorneys' fees will be deducted from veterans' benefits. Counsel filed a motion with the *Soto* court in the United States District Court for attorneys' fees under the Equal Access to Justice Act. This motion has been withdrawn because the parties have settled the issue. These funds are 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 if you are a class member in the *Soto/Carey* class actions, but you have the right to retain independent counsel if you wish.

Likewise, you do not have to hire or find your own lawyer if you are were affected by the Interim and/or Clarifying Guidance challenged in *Ploe*, but you have the right to retain independent counsel if you wish. Please note that the court has not certified the case to proceed as a class action.

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://nvlsp.org/what-we-do/lawyers-serving-warriors/ .

To learn more about the National Veterans Legal Services Program, go to NVLSP.ORG