**ARELLANO V. MCDONOUGH**

Case Number Twenty-One, Four-Thirty-Two. On writ of sersheorrareeye to the United States Court of Appeals for the Federal Circuit. Argued October 4th, 2022; Decided January 23rd, 2023. Justice Barrett delivered the opinion for a unanimous court.

This case concerns the effective date of an award of disability compensation to a veteran of the United States military. The governing statute provides that the effective date of the award “shall not be earlier” than the day on which the Department of Veterans Affairs, commonly referred to as the VA, receives the veteran’s application for benefits. But the statute specifies 16 exceptions, one of which is relevant here: If the VA receives the application within a year of the veteran’s discharge, the effective date is the day after the veteran’s discharge. We must decide whether this exception is subject to equitable tolling, a doctrine that would allow some applications filed outside the 1-year period to qualify for the “day after discharge” effective date. We hold that the provision cannot be equitably tolled.

Part 1, A

The United States offers benefits to any veteran who suffers a service-connected disability. A veteran seeking these benefits must file a claim with the VA.

“A regional office of the VA then determines whether the veteran satisfies all legal prerequisites, including the requirement that military service caused or aggravated the disability.” If the regional office grants the application, it assigns an “effective date” to the award, and payments begin the month after that date. If the effective date precedes the date on which the VA received the claim, the veteran receives retroactive benefits.

38 U.S.C. § Section 5110 dictates how this date is calculated. The default rule is that “the effective date of an award shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of application therefor.” This rule applies “unless specifically provided otherwise in this chapter.” Sixteen exceptions in § 5110 “provide otherwise,” including one specifying that “the effective date of an award of disability compensation to a veteran shall be the day following the date of the veteran’s discharge or release if application therefor is received within one year from such date of discharge or release.” § 5110 b1. On its face, this exception allows up to one year of retroactive benefits. But if the VA can treat an application filed more than one year after discharge as if it had been filed within the statutory window, a veteran could potentially recover decades’ worth of retroactive payments.

## B

Adolfo Arellano served in the Navy from 1977 until his honorable discharge in 1981. Approximately 30 years later, the VA received Arellano’s application for disability compensation based on his psychiatric disorders. A VA regional office found that Arellano’s disorders resulted from trauma that he suffered while serving on an aircraft carrier that collided with another ship. So the regional office granted Arellano benefits for his service-connected disabilities—schizoaffective disorder bipolar type with posttraumatic stress disorder. It assigned an effective date of June 3, 2011, the day that the VA received his claim.

Arellano appealed the regional office’s decision to the VA’s Board of Veterans’ Appeals. He acknowledged that he did not submit an application for benefits until June 2011. But he argued that the regional office should have equitably tolled § 5110 b1’s 1-year timeline to make his award effective as of the day after his discharge from service in 1981 or, at the latest, January 1, 1982. In support of equitable tolling, Arellano alleged that he had been too ill to know that he could apply for service-connected disability benefits. The Board denied Arellano’s request for equitable tolling, and the Court of Appeals for Veterans Claims affirmed.

The on bonk Federal Circuit affirmed the judgment unanimously but divided equally on the supporting rationale. Half the court, adhering to Circuit precedent, maintained that § 5110 b1 is not subject to equitable tolling. The other half, rejecting Circuit precedent, reasoned that § 5110 b1 is subject to equitable tolling but that tolling was unwarranted on the facts of Arellano’s case.

We granted certiorari to resolve which side had the better interpretation of the statute.

Part 2

Equitable tolling “effectively extends an otherwise discrete limitations period set by Congress.” In practice, it “pauses the running of, or ‘tolls,’ a statute of limitations when a litigant has pursued his rights diligently but some extraordinary circumstance prevents him from bringing a timely action.” The doctrine “is a traditional feature of American jurisprudence and a background principle against which Congress drafts limitations periods.”

Consistent with this jurisprudential backdrop, we presume that federal statutes of limitations are subject to equitable tolling. The *Irwin* v. *Department of Veterans Affairs* presumption, however, is just that—a presumption. It can be rebutted, and if equitable tolling is inconsistent with the statutory scheme, courts cannot stop the clock for even the most deserving plaintiff.

The Secretary of Veterans Affairs advances two reasons why § 5110 b1 is not subject to equitable tolling. The first would head tolling off at the pass: He argues that

§ 5110 b1 is not a statute of limitations, so the presumption is wholly inapplicable. Rather than extinguishing a tardy claim (the function of a statute of limitations), §5110 b1 caps the award for a successful claim (a different function). That it does so with reference to the time of filing, the Secretary says, does not convert it into a statute of limitations. In any event, the Secretary adds, equitable tolling is at odds with the statutory text and structure—so even assuming that § 5110 b1 sets a limitations period, the presumption is rebutted.

We need not address the Secretary’s first argument because the second is straightforward. The presumption is rebutted if “there is good reason to believe that Congress did *not* want the equitable tolling doctrine to apply.” In this case, there is very good reason to draw that conclusion. Section 5110 contains detailed instructions for when a veteran’s claim for benefits may enjoy an effective date earlier than the one provided by the default rule. It would be inconsistent with this comprehensive scheme for an adjudicator to extend effective dates still further through the doctrine of equitable tolling.

## A

Start with the text. Section 5110 b1 operates as a limited exception to § 5110 a1’s default rule, which states that “the effective date of an award shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of application therefor.” The default applies “unless specifically provided otherwise in this chapter”—a clause indicating that Congress enumerated an exhaustive list of exceptions, with each confined to its specific terms. According to the terms of the exception in § 5110 b1, “the effective date of an award of disability compensation to a veteran shall be the day following the date of the veteran’s discharge or release if application therefor is received within one year from such date of discharge or release.” Equitably tolling this provision would depart from the terms that Congress “specifically provided.”

The structure of § 5110 reinforces Congress’s choice to set effective dates solely as prescribed in the text. The statute sets out detailed instructions that explain when various types of benefits qualify for an effective date earlier than the default. There are 16 such exceptions—and equitable tolling is not on the list.

Notably, these exceptions do not operate simply as time constraints, but also as substantive limitations on the amount of recovery due. We stated in *United States* v. *Brockamp* that an “explicit listing of exceptions” in a statute containing “detail” and describing “not only procedural limitations, but also substantive limitations on the amount of recovery” strongly indicated that “Congress did not intend courts to read other unmentioned, open-ended, ‘equitable’ exceptions into the statute that it wrote.” So too here. If Congress wanted the VA to adjust a claimant’s entitlement to retroactive benefits based on unmentioned equitable factors, it is difficult to see why it spelled out a long list of situations in which a claimant is entitled to adjustment—and instructed the VA to stick to the exceptions “specifically provided.”

That many of the specific exceptions reflect equitable considerations heightens the structural inference. Several, including § 5110 b1, apply when the event triggering the entitlement to benefits is disability or death—both circumstances in which prompt filing could be challenging for a veteran or her survivors. One permits an earlier effective date for the award of benefits to a veteran’s child, a claimant typically dependent on others for prompt filing. § 5110 e1. Still others permit retroactive benefits when facts change or new evidence emerges.

Yet despite its attention to fairness, Congress did not throw the door wide open in these circumstances or any other. In all but one instance, Congress capped retroactive benefits at roughly one year.

This pattern matters. That Congress accounted for equitable factors in setting effective dates strongly suggests that it did not expect an adjudicator to add a broader range of equitable factors to the mix. And its decision to consistently cap retroactive benefits strongly suggests that it did not expect open-ended tolling to dramatically increase the size of an award. When Congress has already considered equitable concerns and limited the relief available, “additional equitable tolling would be unwarranted.”

Section 5110 b4, another disability-related exception to the default rule, illustrates the point. Recall that § 5110 b1, the exception at issue here, adjusts the effective date of disability compensation to the day after a veteran’s discharge from the military, so long as the VA receives the claim within one year of discharge. Arellano contends that his claim, filed 30 years after discharge, should relate back to the date of discharge because his disability prevented him from filing earlier than he did. But § 5110 b4, which applies to disability pensions rather than disability compensation, expressly accounts for this very concern: It makes pension benefits retroactive to the date of permanent and total disability if the disability prevented the veteran from applying for an award at the time of onset. The possibility that disability could cause delay was therefore on Congress’s radar; still, Congress did not explicitly account for it in § 5110 b1.

Moreover, while Arellano posits an open-ended grace period for § 5110 b1, § 5110 b4A imposes a restrictive one: It applies only “if the veteran applies for a retroactive award within one year” of “the date on which the veteran became permanently and totally disabled.” Why would Congress allow an unlimited grace period for an equitable concern unmentioned in § 5110 b1 when it established a limited grace period for the same concern explicitly mentioned in § 5110 b4? Tolling § 5110 b1 would single it out for special treatment; enforcing its terms keeps it consistent with the statutory scheme.

The most compelling argument for equitable tolling is that hard and fast limits on retroactive benefits can create harsh results. The statutory default ties the start of benefits to the application-receipt date, a choice that incentivizes promptness and disfavors retroactive awards. The exceptions granting a 1-year grace period soften that choice in specified circumstances, yet there are situations in which equity’s flexible, open-ended approach would be more generous to a deserving claimant. With this in mind, Congress could have designed a scheme that allowed adjudicators to maximize fairness in every case. But Congress has the power to choose between rules, which prioritize efficiency and predictability, and standards, which prioritize optimal results in individual cases. Congress opted for rules in this statutory scheme, and an equitable extension of § 5110 b1’s 1-year grace period would disrupt that choice.

## B

Arellano contests all of this. Laser focused on

§ 5110 b1, he argues that the provision’s unadorned text contains none of the specific, technical language that might otherwise rebut the presumption of equitable tolling. In addition, he emphasizes that there are “*zero* express exceptions to § 5110 b1’s one-year clock,” which he describes as “fatal” to the Secretary’s position. As Arellano sees it, § 5110 b1 is a simple time limit and therefore a classic case for equitable tolling.

If § 5110 b1 stood alone, there might be something to Arellano’s argument. (Again, assuming that § 5110 b1 is a limitations period to which the *Irwin* presumption applies.) But § 5110 b1 cannot be understood independently of § 5110 a1, which makes the date of receipt the effective date “unless specifically provided otherwise in this chapter.” Arellano insists that the Secretary overreads “unless” by treating it as a signal that the enacted exceptions are exclusive. But the clause says more than “unless”—it says that the default applies “unless *specifically provided* otherwise.” That is an instruction to attend to specifically enacted language to the exclusion of general, unenacted carveouts. While Arellano claims to seek an equitable exception to a general rule, he actually seeks an equitable exception to an exception to a general rule. Structurally, that is a heavy lift. Moreover, § 5110 b1 is nestled within a list of 15 other exceptions to § 5110 a1’s default rule, and, as we have already explained, the presence of this detailed, lengthy list raises the inference that the enumerated exceptions are exclusive.

Arellano also resists the proposition that the express accounting for disability-caused delay in § 5110 b4 hurts his case. On the contrary, he insists that it works in his favor. Citing *Young* v. *United States*, he maintains that an express tolling provision does not displace the presumption of tolling but rather demonstrates that a statute incorporates traditional equitable principles. According to Arellano, Congress’s silence in § 5110 b1 merely shows that it wanted those traditional principles to apply at full strength.

We disagree. Section 5110 b4 does not help Arellano; for the reasons we have already explained, it illustrates why equitably tolling § 5110 b1 is incongruent with the statutory scheme. *Young* is inapposite. There, we concluded that an “express tolling provision” for a time limit in a bankruptcy statute supported equitable tolling of a different time limit in the same statute. But that was largely because the express tolling provision authorized tolling where equity would not otherwise have permitted it. As a result, we interpreted the express tolling provision to “supplement rather than displace principles of equitable tolling.” Here, however, § 5110 b4 does not authorize tolling that equity would not otherwise have allowed. If anything, its conditional and narrow applicability limits tolling that might otherwise have occurred. Though Arellano makes a valiant effort to turn a negative into a positive, § 5110 b4 remains an obstacle to his interpretation.

Finally, Arellano contends that “the ‘nature of the underlying subject matter’ ”—veterans’ benefits—counsels in favor of tolling here. To support this proposition, he invokes *Brockamp*, which considered whether courts can equitably toll time limits for filing tax-refund claims. After holding that the statute’s text and structure rebutted the *Irwin* presumption, we observed that the “nature of the underlying subject matter—tax collection—underscored the linguistic point.” “Tax law, after all, is not normally characterized by case-specific exceptions reflecting individualized equities.” By contrast, Arellano argues, providing benefits to veterans is a context in which individualized equities are paramount.

If the text and structure favored Arellano, the nature of the subject matter would garnish an already solid argument. But the nature of the subject matter cannot overcome text and structure that foreclose equitable tolling. *Brockamp* turned to the “nature of the underlying subject matter” only to “underscore the linguistic point.” Arellano, however, lacks the linguistic point. This is not a case in which competing interpretations are equally plausible; it is one in which Congress’s choice is evident.

We hold that § 5110 b1 is not subject to equitable tolling and affirm the judgment of the Court of Appeals.

*It is so ordered.*