



- Student Manual
- Instructor Guide
- PowerPoint Slides

TC 1

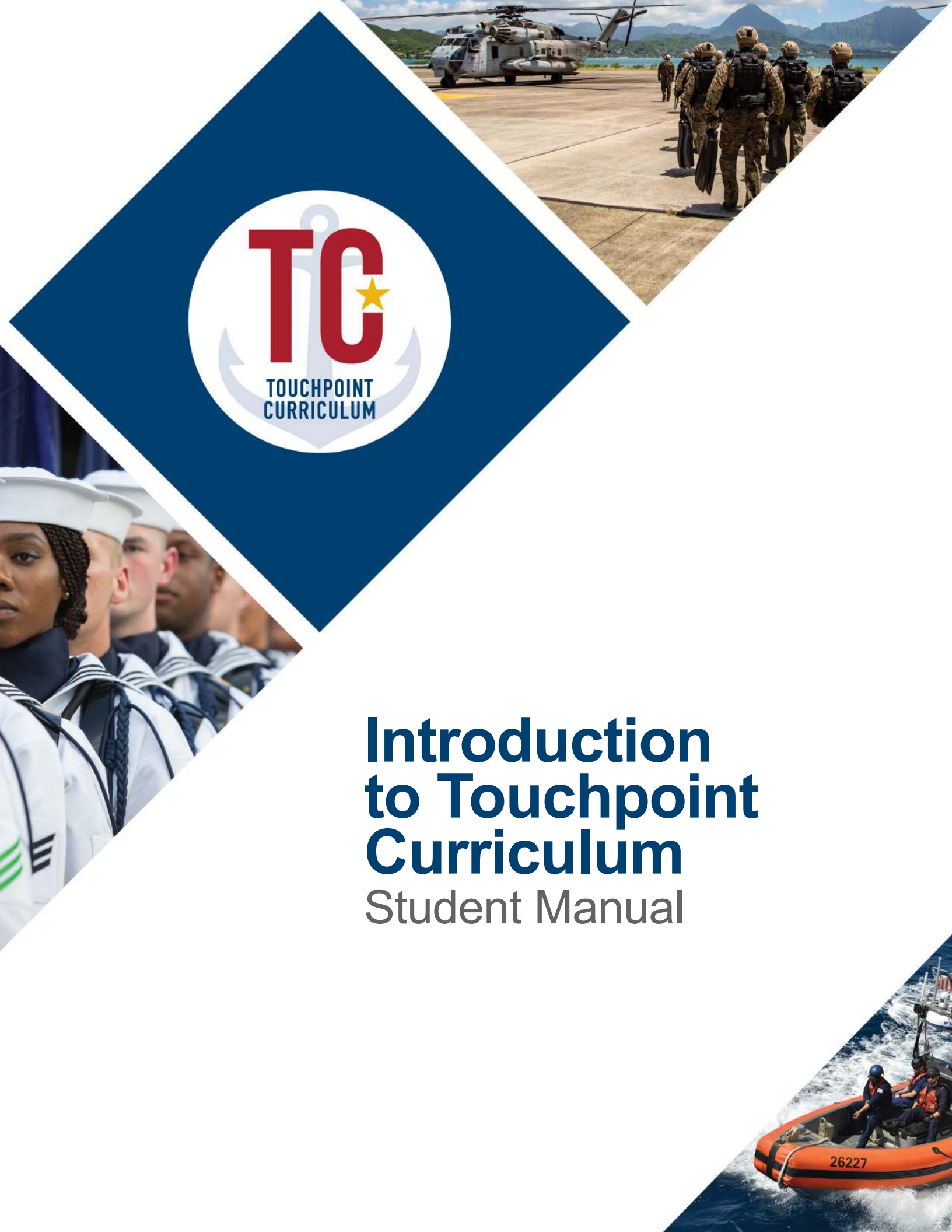
Introduction to Touchpoint Curriculum





Introduction to Touchpoint Curriculum

Student Manual



I. INTRODUCTION

Purpose and Scope of Touchpoint Curriculum

Touchpoint Curriculum is designed to meet financial readiness Common Military Training (CMT) requirements as outlined in Directive Type Memorandum (DTM) 19-009. These CMT requirements provide Service members the common knowledge, skills, and behavior standards to enable them to manage their financial affairs in a manner that enhances financial readiness. Military Departments must provide Service members financial literacy training in accordance with the personal and professional touchpoints across the military life cycle identified in Section 992(a) of Title 10, U.S.C. Table 1 of this DTM establishes standard minimum Terminal Learning Objectives (TLOs) required at each touchpoint, consistent with DoDI 1322.31.

Touchpoint Curriculum is used by the US Navy to provide a life cycle/career cycle approach to financial literacy training, ensuring just-in-time information is provided to Service members where and when they need it. The PFM program is recognized as the strongest link between a member and his or her successful financial future. As a CFS, you will be the subject matter expert at your command. You will provide counseling, referrals, and proactive financial education and training.

Touchpoint Curriculum Chapter Layout

- TC 1: *Introduction to Touchpoint Curriculum*
- TC 2: *First Duty Station*
- TC 3: *Permanent Change of Station (PCS)*
- TC 4: *Promotion*
- TC 5: *Vesting in the Thrift Savings Plan (TSP)*
- TC 6: *Entitlement to Continuation Pay (CP)*
- TC 7: *Marriage*
- TC 8: *Welcoming Your First Child*
- TC 9: *Preparing for Divorce*
- TC 10: *Disabling Sickness or Condition*
- TC 11: *Leadership Training*
- TC 12A: *Pre-Deployment Preparation*
- TC 12B: *Post-Deployment*

II. LEARNING OBJECTIVES:

- Be familiar with the Touchpoints identified in the DTM
- Be familiar with their Touchpoint Toolbox
- Demonstrate proficiency using Touchpoint Checklists and Handouts, Videos and Video Discussion Guides, and PowerPoint (PPT) Slides and Instructor Guides.
- Demonstrate proficiency with skills learned in previous sessions to include financial counseling, mechanics of the FPW/eFPW, and instructional techniques.
- Understand how financial literacy training requirements are tracked from NSIPS to FLTMPs.

III. REFERENCES

Note to CFS: You will not be expected to teach this chapter. However, you may find it useful to inform your leadership. We are including the PPT and IG so you have it for reference or use.

FORMS provided in Student Manual:

- DTM 19-009
- FINRED Road to Financial Readiness
- CFPB Five Principles for Financial Literacy
- How to Access Touchpoint Training on Navy e-Learning

Touchpoint Curriculum may be accessed on the following websites:

- Office of Financial Readiness (FINRED), Navy Resource Page:
<https://finred.usalearning.gov/SPL/Training/NavyResource>
- PFM milSuite site:
<https://www.milsuite.mil/personal-financial-management-program-wfl/>
- CNIC website:
https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html

IV. ACRONYMS AND ABBREVIATIONS

Acronym/Abbreviation	Full Name	Definition
DTM	Directive Type Memorandum	It is designed to meet financial readiness Common Military Training (CMT) requirements to provide Service members the common knowledge, skills, and behavior standards to enable them to manage their financial affairs in a manner that enhances financial readiness.
TC	Touchpoint Curriculum	Touchpoint Curriculum is the Navy's version of financial literacy to meet the requirements of DTM 19-009. It includes Checklists and Handouts, PowerPoint (PPT) training slides with Instructor Guide (IG), and Videos with Video Discussion Guides (VDGs).

V. TOUCHPOINT TOOLBOX: MATERIALS AND RESOURCES TO TEACH TOPIC

As a reminder, TC1 is an administrative chapter designed to provide an overview of Touchpoint Curriculum. It is not an actual Touchpoint, therefore, it will not have any products (Checklists/Handouts) other than the PowerPoint and Instructor Guide used during your CFS course.

All materials are available on PFM milSuite, CNIC and FINRED websites (listed above), and DVD. Links to curriculum may change or vary locally.

Delivering the right financial training at the right time helps ensure that Service members understand the financial implications, considerations, and decisions that need to be made at each Touchpoint. The tools listed below teach the same story but let you, the CFS, tell it different ways, depending on your audience, your time allotted, or your particular teaching style. They can be mixed and matched to provide the best learning experience.

REMEMBER: Every Counselee should receive a signed, dated copy of the Counselee Checklist to verify training completion and, most importantly, to ensure they have a reference to help them navigate the financial decisions required at each Touchpoint.

1. One-on-One Counseling Checklists and Handouts (Service Specific)

- Counselor Checklist – Not applicable for TC 1
- Counselee Checklist – Not applicable for TC 1

Handouts:

- *All Handouts* listed on Checklist – Not applicable for TC 1

2. Classroom Training Materials (Service Specific)

- Touchpoint Checklists and Handouts – Not applicable for TC 1
- PowerPoint (PPT) Training slides and Instructor Guide (IG)
CFS will not be required to teach this class; however, you may find this brief useful to inform leadership. You are being provided a copy of the CFS Instructor Guide for informational purposes only.
- Videos and Video Discussion Guides (VDG) – Not applicable for TC 1

3. Online Training

- Touchpoint (Navy e-Learning, My Navy Portal or your service-specific e-Learning site) – Not applicable for TC 1

VI. ADDITIONAL LEARNING AND ACTIVITIES

Section 6 of each chapter provides additional ideas for conversations and activities to have with your clients or audience. Encourage Service members to attend PFM Standard Curriculum courses (PFMSC) at the local Fleet and Family Service Center (FFSC) or Installation Family Service Center to learn more about financial considerations for each Touchpoint.

Banking and Financial Services
Car-Buying Strategies
Consumer Awareness
Credit Management
Developing Your Spending Plan
Family Financial Planning
Financial Planning for Deployment
Gambling Awareness
Home Buying
How to Survive the Holidays Financially
Marriage and Money
Military Pay Issues
Money and the Move
Paying for College
Paying off Your Student Loans
Planning for Your Retirement
Raising Financially Fit Kids
Renting
Saving and Investing
Smart Transition Planning
Survivor Benefit Plan
The Thrift Savings Plan
Your Insurance Needs

VII. FORMS

- DTM 19-009
- FINRED Road to Financial Readiness
- CFPB Five Principles of Financial Literacy
- How to Access Touchpoint Training on Navy e-Learning



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

August 13, 2019
Incorporating Change 1, Effective August 12, 2020

MEMORANDUM FOR CHIEF MANAGEMENT OFFICER OF THE DEPARTMENT OF
DEFENSE
SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
CHIEF OF THE NATIONAL GUARD BUREAU
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, COST ASSESSMENT AND PROGRAM
EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF
DEFENSE
ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE
AFFAIRS
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
AFFAIRS
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Directive-type Memorandum (DTM) 19-009 – Financial Readiness Common
Military Training Requirements

References: See Attachment 1.

Purpose.

- In accordance with the authority in DoD Directive 5124.02, this DTM establishes policy, assigns responsibilities, and provides requirements for the organization, management, and implementation of financial readiness common military training (CMT) requirements in accordance with Section 992 of Title 10, United States Code (U.S.C.).
- This DTM is effective August 13, 2019; it will be converted to a new DoD instruction (DoDI). This DTM will expire effective August 13, 2021.

Applicability. This DTM applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (referred to collectively in this DTM as the “DoD Components”).

Definitions. See Glossary.

Policy.

- Financial readiness CMT requirements provide Service members the common knowledge, skills, and behavior standards to enable them to manage their financial affairs in a manner that enhances mission readiness.
- Financial readiness CMT requirements, in accordance with Section 992 of Title 10, U.S.C. and DoDI 1322.31, provide a functional baseline of common knowledge, skills, and behavior standards for all Service members across all Military Departments.
- The Military Departments may decentralize the assessment, planning, conduct, and evaluation of CMT requirements in this DTM. The CMT requirements in this DTM are a minimum standard and the Military Departments may use them as a framework to consolidate, reduce, and eliminate their own mandatory training requirements.
- Unless otherwise directed, leaders at all levels will use the terminal learning objectives (TLOs) established in this DTM to meet financial readiness CMT requirements and will use their individual and collective training assessments to identify subject matter gaps consistent with DoDI 1322.31. Leaders will have the latitude to determine how best to achieve the CMT requirements consistent with this DTM.

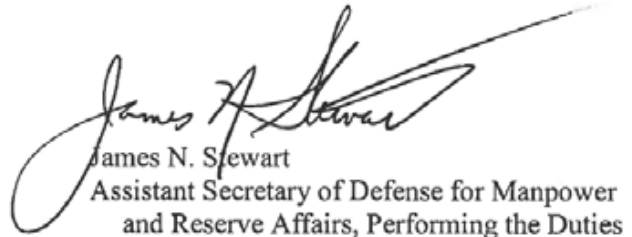
Responsibilities. See Attachment 2.

Procedures. See Attachment 3.

Releasability. Cleared for public release. Available on the Directives Division Website at <https://www.esd.whs.mil/DD/>.

Summary of Change 1. The changes to this DTM are administrative, update the references, and extend the expiration date.

DTM 19-009, August 13, 2019



James N. Stewart
Assistant Secretary of Defense for Manpower
and Reserve Affairs, Performing the Duties
of the Under Secretary of Defense for
Personnel and Readiness

Attachments:
As stated

ATTACHMENT 1

REFERENCES

“Blended Retirement System Training for Continuation Pay Provision Training Development Guide”

Deputy Secretary of Defense Memorandum, “Implementation of the Blended Retirement System,” January 27, 2017

DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008

DoD Instruction 1322.31, “Common Military Training (CMT),” February 20, 2020

DoD Instruction 1332.35, “Transition Assistance Program (TAP) for Military Personnel,” September 26, 2019

DoD Instruction 1342.22, “Military Family Readiness,” July 3, 2012, as amended

DoD Instruction 1344.07, “Personal Commercial Solicitation on DoD Installations,” March 30, 2006

United States Code, Title 10

ATTACHMENT 2
RESPONSIBILITIES

1. ASSISTANT SECRETARY OF DEFENSE FOR READINESS (ASD(R)). Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), the ASD(R) will:

- a. Develop and monitor the implementation of policy, procedures, and information requirements relating to financial readiness CMT requirements.
- b. Advise the USD(P&R) on matters related to financial readiness CMT requirements.
- c. Ensure the Military Departments effectively implement financial readiness CMT requirements, in accordance with this DTM.
- d. Adjudicate any requests for an exception to policies established in this DTM.

2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR FORCE EDUCATION AND TRAINING (DASD(FE&T)). Under the authority, direction, and control of the ASD(R), the DASD(FE&T) will:

- a. Provide direct oversight of financial readiness CMT requirements by monitoring compliance with this DTM.
- b. Establish minimum TLOs for financial readiness CMT requirements through the entirety of the military life cycle and review TLOs regularly to address changes in training needs in accordance with DoDI 1322.31.
- c. Develop and distribute appropriate standardized training content and other educational products as necessary, in coordination with the Military Departments.
- d. Coordinate with the Deputy Assistant Secretary of Defense for Reserve Integration (DASD(RI)) and the Deputy Assistant Secretary of Defense for Military Community and Family Policy (DASD(MC&FP)) to ensure financial readiness CMT requirements are integrated in applicable programs, as necessary.

3. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS (ASD(M&RA)). Under the authority, direction, and control of the USD(P&R), the ASD(M&RA) will coordinate with the ASD(R) to integrate appropriate financial readiness CMT requirements into programs under the purview of the ASD(M&RA).

4. DASD(RI). Under the authority, direction, and control of the ASD(M&RA), the DASD(RI) will:

a. Coordinate with the DASD(FE&T) to integrate appropriate financial readiness CMT requirements into programs under the purview of the DASD(RI), such as the Transition Assistance Program and Yellow Ribbon Reintegration Program.

b. Ensure relevant curricula in these programs include the appropriate TLOs.

5. DASD(MC&FP). Under the authority, direction, and control of the ASD(M&RA), the DASD(MC&FP) will:

a. Coordinate with the DASD(FE&T) to integrate appropriate financial readiness CMT requirements into family readiness programs, resources, and information, as well as into the services provided by Military and Family Support Centers in accordance with DoDI 1342.22.

b. Require such resources to be available to Service members and spouses.

6. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR MILITARY PERSONNEL POLICY. Under the authority, direction, and control of the ASD(M&RA), the Deputy Assistant Secretary of Defense for Military Personnel Policy will provide information and updates on military compensation and entitlements to the DASD(FE&T) to support establishment of related financial readiness CMT requirements.

7. SECRETARIES OF THE MILITARY DEPARTMENTS. The Secretaries of the Military Departments will:

a. Monitor compliance with this DTM by personnel under their respective authority, direction, and control, and issue appropriate guidance implementing the requirements of this DTM.

b. Develop and deliver training, at a minimum, in accordance with Section 992 of Title 10, U.S.C., and this DTM.

c. Develop plans to deliver financial readiness CMT requirements identified in this DTM. Such plans must be submitted to ASD(R) no later than 3 months after publication of this DTM, and include the following information for each mandatory touchpoint:

- (1) Organization(s) responsible for delivery;
- (2) Point of delivery;
- (3) Delivery method;
- (4) TLOs;
- (5) Schedule for delivery of training;
- (6) Outline of training material(s); and,

(7) Description of how training assessments and/or evaluations will be performed.

8. CHIEF, NATIONAL GUARD BUREAU. The Chief, National Guard Bureau will coordinate with the Secretaries of the Army and Air Force to ensure compliance with this DTM for Service members in the National Guard.

ATTACHMENT 3

PROCEDURES

1. REQUIREMENTS. The Military Departments must provide Service members financial literacy training, in accordance with the personal and professional touchpoints across the military life cycle identified in Section 992(a) of Title 10, U.S.C. Table 1 of this DTM establishes standard minimum TLOs required at each touchpoint, consistent with DoDI 1322.31. The Military Services are not required to directly replicate the TLOs in Table 1, but must show correlation to the required TLOs appropriate to the specific touchpoint in terms of learning outcomes.

a. Frequency.

(1) Training must be provided:

(a) When a Service member reaches a personal or professional touchpoint; or

(b) On an annual basis when several touchpoints occur 6 months before or after the time of delivery. Training conducted on an annual basis must include TLOs for all touchpoints the Service member has reached since the previous training, as well as those anticipated to be reached within 6 months after the time of delivery.

(2) TLOs associated with the following touchpoints may not be combined with training provided on an annual basis, as described in Paragraph 1.a.(1)(b) of this attachment, and must be provided during:

(a) Initial entry training;

(b) Leadership training;

(c) Pre- and post-deployment training; and

(d) Transition.

(3) At the Military Department's discretion, TLOs required to be provided at a Service member's first duty station, in accordance with Table 1, may be delivered during a Service member's initial entry training.

b. Delivery.

(1) Point of Delivery. Determining the appropriate point of delivery for required training is at the discretion of the Military Departments, and may include institutional training, professional military education, or unit training.

(2) Method of Delivery. Training methods of delivery may include, but are not limited to, instructor-led, computer-based, web-based, or structured self-development training, as well as training received as part of one-on-one financial counseling.

(a) If training is delivered as in-person classroom training, instructors must be adequately trained and familiar with the content to be delivered. Training pertaining to a Service member's rights and remedies under the law must be delivered by qualified legal counsel, subject to the authority of the General Counsel of the Military Department concerned or the Judge Advocate General of the Military Department concerned or, at a minimum, the materials to be presented must be reviewed and approved by such qualified legal counsel.

(b) If training is delivered through one-on-one financial counseling, such counseling must be provided in accordance with the requirements in Section 992(b) of Title 10, U.S.C. and DoDI 1342.22, pertaining to counseling on financial services provided to Service members.

(c) Training may be delivered by non-federal entities without branding or attribution to such entity and in accordance with the provisions in DoDI 1344.07.

c. Target Audience. The target audience for each touchpoint is the population that experienced, or anticipates experiencing, the event associated with the touchpoint (e.g., new Service members during initial entry training and arrival at their first duty station, and Service members preparing for or returning from deployment).

d. Standardized Training. The following standardized training curriculum must be included with training delivered by the Military Departments at the identified touchpoints in accordance with the January 27, 2017 Deputy Secretary of Defense Memorandum and DoDI 1332.35. With the exception of training specified in Paragraph 1.d.(4) of this attachment, the Military Departments may tailor training to fit within their training delivery mode, to meet the needs of their audience as long as TLOs from the standardized training and those identified in Table 1 are met. The Military Departments must deliver the following standardized training curriculum:

(1) The "Uniformed Services Blended Retirement System: Your Retirement System" training no later than 365 days after the pay entry base date for all newly accessed Service members;

(2) Training on continuation pay developed by the Military Departments in accordance with the "Blended Retirement System Training for Continuation Pay Provision Training Development Guide;"

(3) The "Blended Retirement System Lump Sum Payment Course" to Service members covered by the Blended Retirement System who are both eligible and intend to elect a lump sum of retired pay in accordance with Section 1415 of Title 10, U.S.C; and,

(4) The "Financial Planning for Transition" training in accordance with DoDI 1332.35 as part of the Transition Assistance Program.

e. Training Materials.

(1) Training materials may include, but are not limited to, lesson plans, training guides, presentation slides, infographics, pamphlets, and other materials that will be used to deliver training.

(2) The Military Departments may also use materials that are developed and released internally or by the organizations and entities listed below. However, such materials may not be used as a replacement for the training curricula identified in Paragraph 1.d. of this attachment:

(a) Departments and agencies of the Federal Government.

(b) Non-federal entities, provided such materials are without branding or attribution to such entity, and are approved and presented in accordance with DoDI 1344.07.

Table 1. Financial Readiness CMT TLOs

		Initial Entry Training	First Duty Station	Permanent Change of Station	Promotion	Vesting in TSP	Entitlement to Continuation Pay	Major Life Events	Leadership Training	Pre- and Post-Deployment	Transition
Basic Finance	Recognize the importance of personal financial management and what resources are available.	X							X		
	Identify warning signs of Service members at risk for financial problems.	X							X	X	
	Understand the fundamentals of banking services and fees.	X	X								
	Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.		X	X	X		X	X		X	X
	Understand the fundamentals and management of debt and credit.	X	X	X						X	
	Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.		X				X	X		X	X
Consumer Protections	Know military consumer protection law fundamentals (SCRA/MLA).	X								X	
	Recognize and understand how to protect yourself from misleading consumer practices, and report complaints.		X				X			X	
	Recognize and identify steps to resolve identity theft.		X							X	
Major Purchases	Analyze the implications and identify strategies for financing a major purchase.	X	X								
	Analyze financial implications and identify strategies for buying a car.		X								
	Understand education financing, to include available benefits, obligations, and repayment options.		X					X			

Table 1. Financial Readiness CMT TLOs, Continued

		Initial Entry Training	First Duty Station	Permanent Change of Station	Promotion	Vesting in TSP	Entitlement to Continuation Pay	Major Life Events	Leadership Training	Pre- and Post-Deployment	Transition
Planning for the Future	Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.	X				X	X	X	X		X
	Discuss the reasons, needs, types, and options for purchasing insurance.		X					X		X	X
	Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.)	X						X		X	X
Compensation, Benefits, and Entitlements	Know the components of basic pay and allowances throughout one's military career.	X									
	Examine the impact of special pay and entitlements.		X	X						X	
	Discuss TRICARE options and costs.		X					X		X	X
	Discuss survivor and dependent benefits.							X		X	X
	Understand future financial benefits afforded by the Department's Career Investment Programs.		X		X						
Saving and Investing	Understand interest and how the concept of compounding works.		X								
	Recognize the importance of and be able to develop savings and an emergency fund.		X		X			X		X	X
	Describe the fundamentals of investing.		X								
	Understand and be able to manage a Thrift Savings Plan (TSP) account.		X		X	X				X	X
Notes:											
<ul style="list-style-type: none"> • <i>Permanent Change of Station</i> applies to Service members in paygrades E-1 to E-4 and O-1 to O-3. • <i>Promotion</i> applies to Service members in paygrade E-1 to E-5 and O-1 to O-4. • <i>Major Life Events</i> includes, at a minimum, marriage, birth of first child, divorce, and disabling sickness or condition. • <i>Transition</i> includes separation, transition between Active and Reserve Components, and retirement. 											

GLOSSARYPART I. ABBREVIATIONS AND ACRONYMS

ASD(M&RA)	Assistant Secretary of Defense for Manpower and Reserve Affairs
ASD(R)	Assistant Secretary of Defense for Readiness
CMT	Common Military Training
DASD(FE&T)	Deputy Assistant Secretary of Defense for Force Education and Training
DASD(MC&FP)	Deputy Assistant Secretary of Defense for Military Community and Family Policy
DASD(RI)	Deputy Assistant Secretary of Defense for Reserve Integration
DoDI	DoD instruction
DTM	Directive-type Memorandum
MLA	Military Lending Act
SCRA	Servicemembers' Civil Relief Act
TLOs	terminal learning objectives
TSP	Thrift Savings Plan
U.S.C.	United States Code
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this DTM.

Career Investment Programs. Policies, programs, and partnerships that support war-fighting readiness and ensure that Service members are prepared for transition to the civilian workforce following military service, including, but not limited to, voluntary education, tuition assistance, certification, licensure, apprenticeship, and financial readiness.

continuation pay. A direct cash payment available to Service members covered under the Blended Retirement System, payable between completion of 8 and 12 years of service with a commitment of a minimum of 3 additional years of service.

financial literacy. The ability to use knowledge and skills to manage financial resources.

financial readiness. The state in which successful management of personal financial responsibilities supports a Service member's ability to perform their wartime responsibilities.

initial entry training. Training provided to Service members (enlisted, commissioned officers, and warrant officers) before arrival at the first permanent duty station.

lump sum. A cash payment of a portion of retirement pay under the Blended Retirement System made to eligible individuals in accordance with Section 1415 of Title 10, U.S.C.

major life event. At a minimum, marriage, birth of first child, divorce, and disabling sickness or condition.

pay entry base date. Date that denotes when an individual's service is calculated for pay purposes.

point of delivery. Event designated by the Military Department concerned where training is delivered.

structured self-development. Mandatory, planned, and goal-oriented learning that reinforces and expands the depth and breadth of an individual's knowledge base.

TLOs. The performance required of the student to demonstrate competency in the material being taught. TLOs describe exactly what the student must be capable of performing under the stated conditions to the prescribed standard upon lesson completion.

touchpoint. Personal and professional life events when financial literacy training is to be provided to Service members in accordance with Section 992(a) of Title 10, U.S.C.

training materials. Materials used by instructors, facilitators, and participants in a training environment.

transition. Separation from service, transition between Active and Reserve Components, or retirement.

vesting. The process by which an individual accrues non-forfeitable rights over employer-provided incentives or employer contributions made to the individual's qualified retirement account.

Road to FINANCIAL READINESS

Think of your financial journey as a road trip. You'll need a plan to get there, regular fill-ups and maintenance to get where you need to go. And you will have assistance available along the way.



You will receive financial training at each of these touchpoints:



Initial entry training

Learn about financial readiness, create and understand a budget, learn how to read your Leave and Earnings Statement, review your retirement system and make a plan for paying off debt.



Each promotion

Review your budget, maximize savings, minimize debt, understand the impact of your credit score on your long-term plans and reassess Thrift Savings Plan contributions.



Invest this pay wisely, review your budget, maximize savings, minimize debt and understand the impact on taxes.

Arrival at first duty station

Register for all benefits, complete general financial training, update your financial plan, focus on emergency savings, attend workshops on key topics, and save by using your commissary, fitness center and recreation program offerings.



At each duty station

Plan ahead for PCS expenses, review changes to your pay, benefits and taxes, consider cost-of-living expenses and update your financial plan.



Vesting in Thrift Savings Plan*

Invest as much cash as possible, identify long-term financial goals and create steps to reach them, maximize contributions now for a greater payoff in retirement and attend workshops on investing offered by your Family Center.

Update your financial plan and goals, review insurance policies, reach out to the Exceptional Family Member Program and revisit your plan for long-term savings.

Disabling condition/death



Register your child in the Defense Enrollment Eligibility Reporting System, update health, dental and life insurance policies, review and adjust your budget, and consider opening a college savings plan.

Birth and adoption



Divorce

Update your DEERS information, update paperwork and insurance policies, notify creditors, and review and adjust your budget.

Marriage

Register your spouse in DEERS, update health, dental and life insurance policies, identify joint financial goals and adjust your budget accordingly.

Leadership training

Understand the value of financial readiness and its impact on mission readiness, identify financial red flags in subordinates, get to know available financial readiness resources, and understand the impact of debt on job performance, such as on clearances, which could impact promotions.

Pre- and post-deployment training

Update paperwork and insurance policies, consider freezing your credit report and setting up credit alerts, review and adjust your budget, increase savings, understand any changes in pay and allowances, meet with a personal financial manager/counselor and review the Savings Deposit Program.

Recurring required training

Review and adjust your budget with every change you face throughout the military lifecycle, always look to increase savings and perform regular reviews of your credit report.




Career transition

Examine your goals, budget and savings, notify civilian employers (for Reserve component members coming off of active duty), meet with your personal financial manager/counselor, attend transition workshops and review lump sum options for retired pay, if enrolled in the Blended Retirement System.



Your personal financial manager/counselor is available through your Family Center for education and training at each stage of your journey. Turn to them to learn more about money management, including saving, investing, retirement planning, and credit and debt management.



For more resources and tips follow the Office of Financial Readiness at <https://finred.usalearning.gov> and @DoDFINRED on     . Visit [Military OneSource](https://militaryonesource.com) for a wealth of additional financial information.

*Only applies to those enrolled in the Blended Retirement System. To learn more about the BRS, go to <http://militarypay.defense.gov/BlendedRetirement>.

Five principles and how to use them

Summary for financial educators and practitioners

When you interact with people and help them work toward their money goals—and life goals—it’s important to feel confident in your approach.

How to use the five principles

The five principles outlined below can help guide your work. For example, you might use the principles as a checklist to identify how your program supports key factors that drive a person’s financial well-being. You might compare the principles to your program’s focus and decide to incorporate new insights. Or, you might seek out complementary programs to fill gaps you identify.

The principles are compiled from research on what drives people to take actions aimed at improving their money situation as well as their financial well-being, and how those drivers can be influenced by financial education. To help make the principles easy to put into practice, we talked to experts in the field and gathered feedback from financial education practitioners.

1. Know the individuals and families to be served

Financial education programs can be more effective if they are matched to people’s specific circumstances, challenges, and goals. *Example:* Start with an assessment tool, like the CFPB’s Financial Well-Being Scale.

2. Provide actionable, relevant, and timely information

People are more likely to absorb information if it is connected to an upcoming decision that matters to them, at the time when they can put it to use, with concrete steps they can follow. *Example:* Provide first-time homebuyers with information they can use to guide them through the home loan process.

3. Improve key financial skills

To put financial knowledge to use, consumers also need to build skills. Key skills include knowing when and how to find reliable information to make financial decisions, how to process the information, and how to follow through. *Example:* Give people simplified worksheets to help them comparison shop.

4. Build on motivation

Financial education can help people strengthen qualities and attitudes that allow them to stay motivated. You can help people focus on their own values rather than external influences, persevere in the face of obstacles, and build confidence that they can achieve their financial goals. Example: Set up a buddy system to help people stay on track.

5. Make it easy to make good decisions and follow-through

The situations people encounter can strongly influence what they actually do. You can help people follow through on their intentions by working with the influences or forces at play within their surroundings. Example: Help people set up automatic transactions that support specific goals.

Effective financial education leads to action

The five principles relate to the key drivers of financial well-being. Financial well-being can be defined and measured as a person's sense of control and freedom, with today's finances and looking toward the future.

Effective financial education can help people bridge the gap between what they want to achieve and the actions they ultimately take. The model of financial action, illustrated below, shows how knowledge, skills, motivations, and opportunities work together to support a course of action.

The model of financial action



PRINCIPLES

- 1 Know the individuals and families to be served.
- 2 Provide actionable, relevant, and timely information.
- 3 Improve key financial skills.
- 4 Build on motivation.
- 5 Make it easy to make good decisions and follow through.

For a thorough discussion of each principle, along with examples and tips, please see the full report, *Effective financial education: Five principles and how to use them*.

How to Access Touchpoint Training on Navy e-Learning

This guide will assist you in accessing and completing the Navy Financial Readiness Touchpoint Training Courses on Navy e-Learning (NeL).

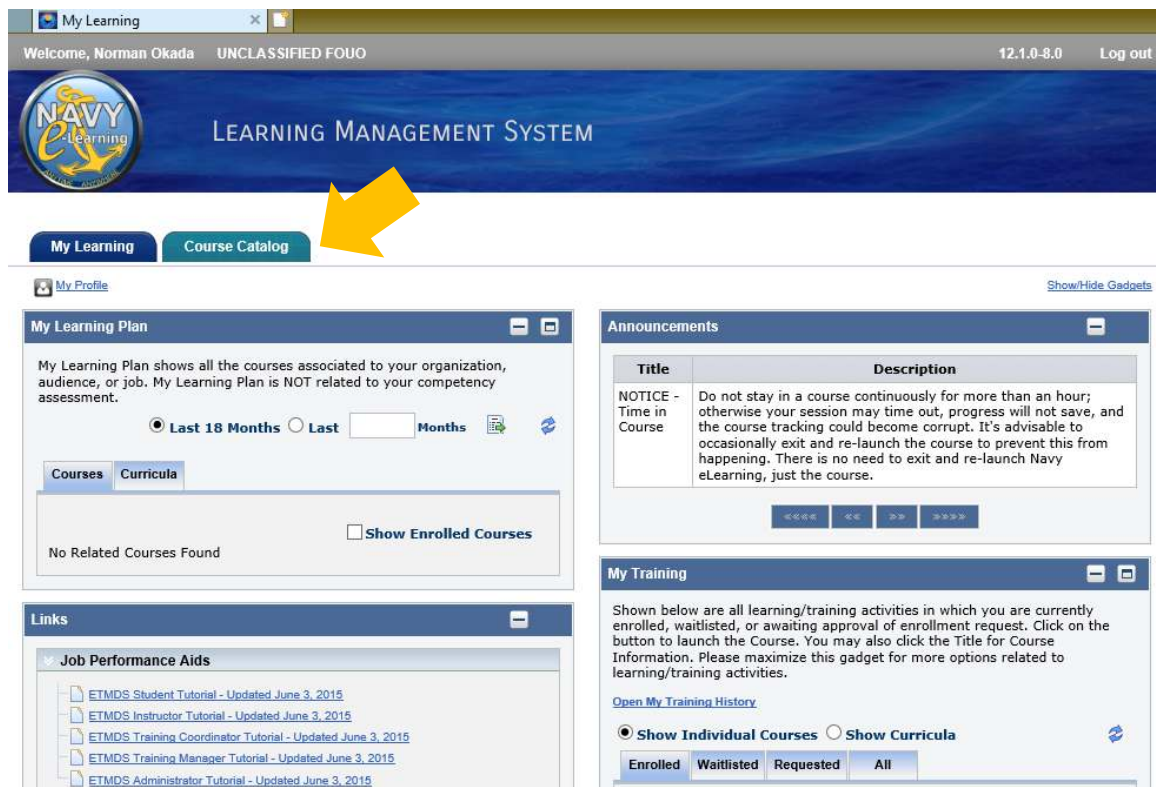
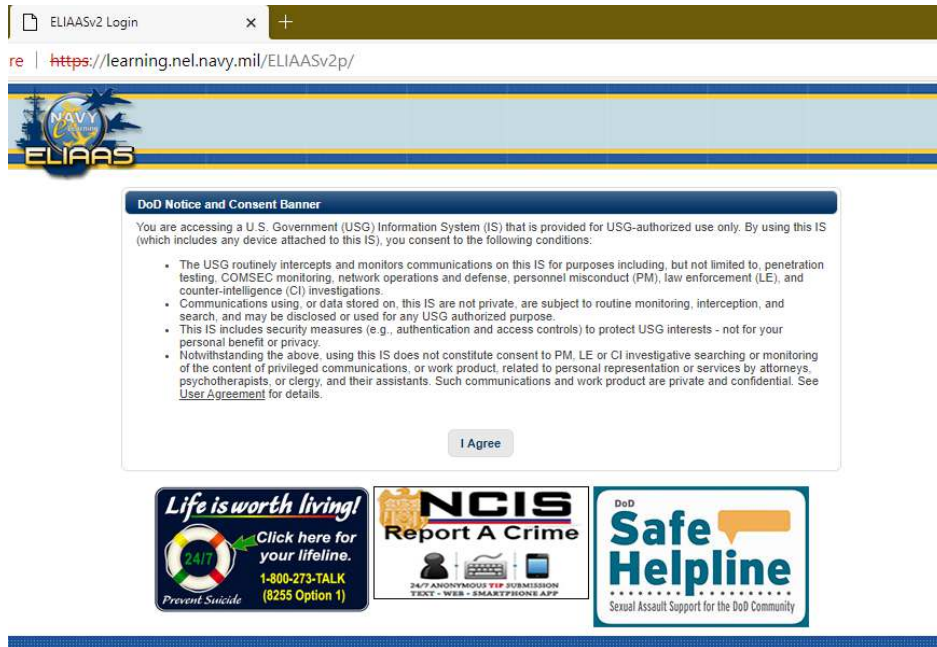
Currently, Service members take financial literacy training at personal and professional Touchpoints across the military lifecycle, beginning with recruit and officer accessions training and continuing throughout a Service member's career and transition to civilian life.

NeL financial readiness Touchpoint training courses address all of the mandatory financial literacy Touchpoints, minus the "Initial Entry Training" and "Transition" Touchpoints as these two Touchpoints are addressed during the officer/enlisted accession pipelines and the Transition Assistance Program (TAP) class, respectively.

These courses are available now for enrollment on NeL. Additionally, the MyNavy Financial Literacy mobile application will host the NeL Touchpoint training courses and should rollout in late-December 2020. Sailors will be able to submit course completion certificates directly to their Electronic Training Jacket or print certificates to prove completion. The courses are in the chart below along with access instructions.

List of Touchpoint Training Courses	
Number	Title
OPNAV-FDSFRT-1.0	First Duty Station Financial Readiness Touchpoint
OPNAV-PCSFRT-1.0	Permanent Change of Station (PCS) Financial Readiness Touchpoint
OPNAV-PFRT-1.0	Promotion Financial Readiness Touchpoint
OPNAV-VTSPFRT-1.0	Vesting in TSP Financial Readiness Touchpoint
OPNAV-ECPFRT-1.0	Entitlement to Continuation Pay Financial Readiness Touchpoint
OPNAV-DSCFRT-1.0	Disabling Sickness or Condition Financial Readiness Touchpoint
OPNAV-DFRT-1.0	Divorce Financial Readiness Touchpoint
OPNAV-BFCFRT-1.0	Birth of First Child Financial Readiness Touchpoint
OPNAV-MFRT-1.0	Marriage Financial Readiness Touchpoint
OPNAV-LTFRT-1.0	Leadership Training Financial Readiness Touchpoint
OPNAV-PREFRT-1.0	Pre-Deployment Financial Readiness Touchpoint
OPNAV-PDFRT-1.0	Post-Deployment Financial Readiness Touchpoint

1. Go to <https://learning.nel.navy.mil/ELIAASv2p/> and log into Navy eLearning. If you have issues accessing this site because of your firewall, you may have to attempt it several times. Access can also be started through MyNavy Portal at <https://my.navy.mil/> and select Quick Links and Navy eLearning



2. Go to Course Catalog and type in Touchpoint

The screenshot shows the 'Course Catalog' interface. At the top, there are several links for navigation, including '-WHAT'S NEW', 'Bureau of Navy Medicine (BUMED)', 'Commander, Navy Installations Command (CNIC)', 'Department of Defense (DoD) Training', 'Department of the Navy (DON) Training', 'Foreign Language & Culture', 'Individual Augmentee Training', 'Navy Learning Centers & Programs', 'Navy Rate Training Courses', 'PEO EIS Mandatory Training', 'PERS2 PSD/PAYPERS Training', and 'Professional Military Knowledge'. Below these links are buttons for 'Apply Filters' and 'Clear Filters'. The 'Number of Records' is 8960, and 'Results per page' is set to 10. A search input field contains the text 'touchpoint'. Below the search bar is a table with columns for 'Prefix', 'Number', 'Title', and 'Course Status'. Two rows are visible in the table:

Prefix	Number	Title	Course Status
CENSEALSWC	CENSEALSWC-NSW-02	Naval Special Warfare (NSW) Communication Capabilities	Enroll
CEODD	CEODD-MGS-010-1.1	CEODD - Mixed Gas and Saturation Diving	Enroll

3. Enroll in the Touchpoint you want to complete/Return to main screen to launch the training.

The screenshot shows a detailed view of the course catalog table. The search filter 'touchpoint' is applied. The table lists several courses under the 'OPNAV' prefix, all related to 'Financial Readiness Touchpoint'. Each row has an 'Enroll' button and a green plus sign icon. A yellow arrow points to the 'Enroll' button for the first row.

Prefix	Number	Title	Course Status
OPNAV	OPNAV-BFCFRT-1.0	Birth of First Child Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-DFRT-1.0	Divorce Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-DSCFRT-1.0	Disabling, Sickness or Condition Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-ECPFRT-1.0	Entitlement to Continuation Pay Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-FDSFRT-1.0	First Duty Station Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-LTFRT-1.0	Leadership Training Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-MFRT-1.0	Marriage Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-PCSFRT-1.0	Permanent Change of Station (PCS) Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-PDFRT-1.0	Post-Deployment Financial Readiness Touchpoint	Enroll
OPNAV	OPNAV-PFRT-1.0	Promotion Financial Readiness Touchpoint	Enroll

4. Return to My Learning and Open My Training History once training is complete in order to retrieve your completion certificate.

WS_My Training History

Welcome, Norman Okada UNCLASSIFIED FOUO 12.1.0-8.0 Log out

NAVY Learning

LEARNING MANAGEMENT SYSTEM

My Learning Course Catalog WS_My Training History

My Profile Show/Hide Gadgets

Shown below are all learning/training activities in which you have been enrolled in the past. If available, you may click on the Course ID to view the Course in browse-only mode. You may also click on the Title for Course Information. Courses that are launched from this workspace will be a preview of the course previously taken and credit will not be given. If re-certification or credit is desired, please re-enroll in the latest version of the course through the Course Catalog.

Show Individual Courses Show Curricula Transcript

Passed All

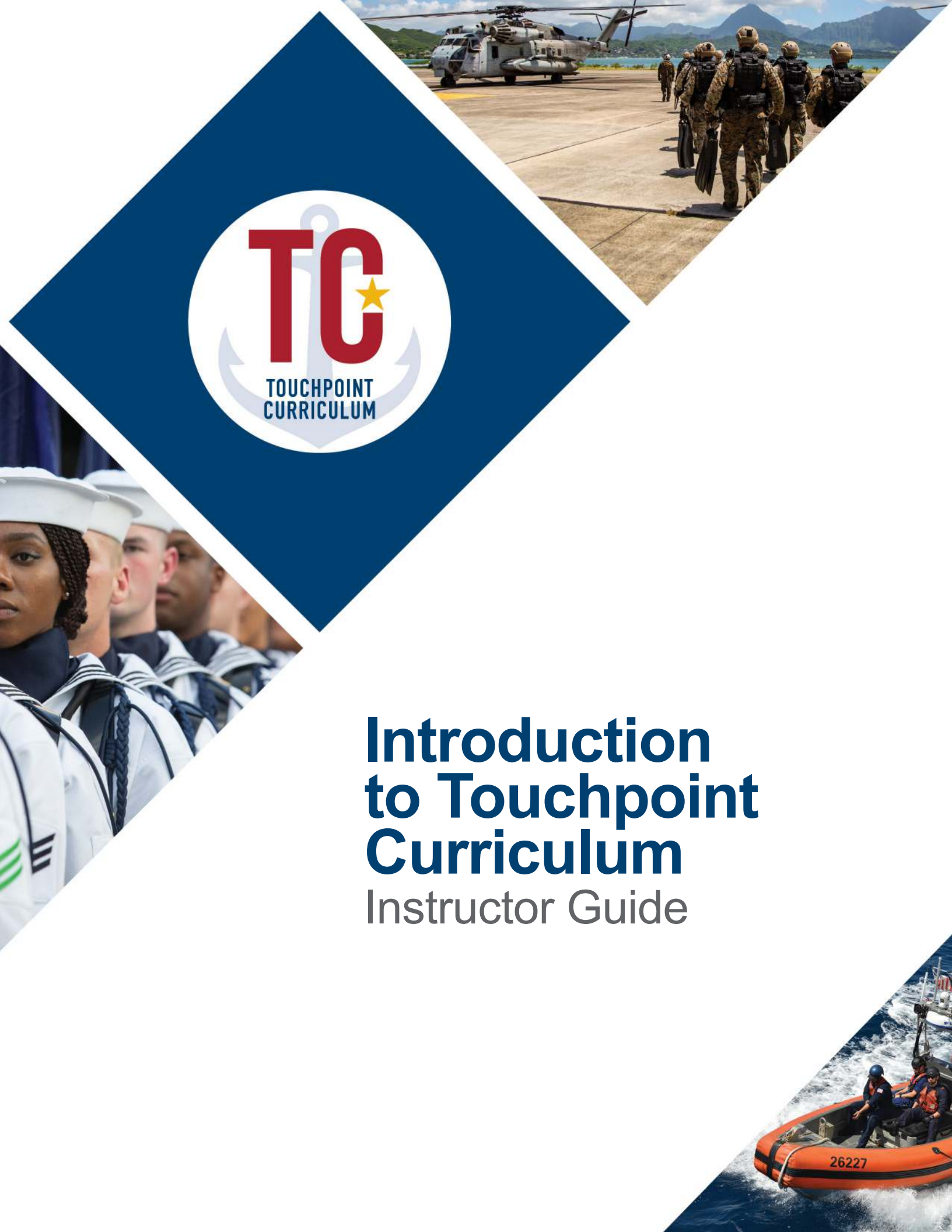
Apply Filters Clear Filters Results Per Page: 1

Course ID	Title	Primary Instructor	Mode	Passed Date	Certificate	Gradebook
OPNAV OPNAV-LTFRT-1.0	Leadership Training Financial Readiness Touchpoint		Web Enabled	9/30/2020		
OPNAV OPNAV-FDSFRT-1.0	First Duty Station Financial Readiness Touchpoint		Web Enabled	9/30/2020		
DON DON-CIAR-1.0	NCIS Counterintelligence and Insider Threat Awareness and Reporting Training		Web Enabled	7/30/2020		
CNIC CNIC-RNEP-0001	Ready Navy Emergency Preparedness		Web Enabled	4/16/2020		



Introduction to Touchpoint Curriculum

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Introduction to Touchpoint Curriculum* course is organized into six sections:

1. **Introduction and Agenda**
2. **What Is Touchpoint Curriculum?**
 - Policy: DTM 19-009
 - 5 Principles for Financial Literacy
3. **Road to Financial Readiness**
4. **Learning Objectives**
5. **Touchpoint Toolbox**
 - Checklists and Handouts
 - PowerPoint (PPT) and Instructor Guide (IG)
 - Videos and Video Discussion Guide (VDG)
 - Online Learning
6. **Touchpoint Start to Finish**
7. **Summary**

TOTAL: 30 minutes

II. LEARNING OBJECTIVES

At the conclusion of this training, the CFS should:



- Be familiar with the Touchpoints identified in the DTM
- Be familiar with their Touchpoint Toolbox
- Demonstrate proficiency using Touchpoint Checklists and Handouts, Videos and Video Discussion Guides, and PowerPoint (PPT) Slides and Instructor Guides.
- Demonstrate proficiency with skills learned in previous sessions to include financial counseling, mechanics of the FPW/eFPW, and instructional techniques.
- Understand how financial literacy training requirements are tracked from NSIPS to FLTMPs.

III. CHAPTER PREPARATION

This is an administrative chapter designed to provide an overview of Touchpoint Curriculum. The CFS will not teach this class. The PowerPoint and Instructor Guide are provided in your manual for reference and informational purposes only.

Sections labeled “**INSTRUCTOR NOTE:**” include additional information for instructor background, as well as activities that provide practical application of key learning points. Instructor notes contain an icon and appear in a shaded text box for easier recognition.

CONTENT ICONS — The following icons are used throughout the guide:

<p>INSTRUCTOR NOTE:</p>  	<p>Instructor Note (indicates additional information related to the content for the instructor)</p> <p>Checklist and Handout (indicates a Checklist or Handout is associated with the content)</p> <p>Learning Activity (indicates a learning activity)</p>
---	--

INSTRUCTOR NOTE: Being prepared for training promotes organization, projects a positive image, and reduces stress.

Be prepared to discuss each Checklist and Handout in class. You should familiarize yourself with this content so you can effectively discuss each document during your presentation.

While this guide is written as a script, avoid reading it word-for-word. Familiarize yourself ahead of time so you feel comfortable covering the material in your own words.

Throughout the presentation, the Checklist or Handouts will be identified with an icon on the PowerPoint and an Instructor Note in this Instructor Guide.

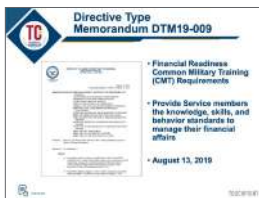
IV. CONTENT



SLIDE 1



SLIDE 2



SLIDE 3



SLIDE 4

Welcome to Touchpoint Curriculum Training

Welcome to your Introduction to Touchpoint Curriculum. My name is _____ and I'm excited to share with you today how this training will help you, as a CFS, address some of the most common financial challenges, considerations, and decision points that your Service member's face throughout their personal lives and professional careers. Let's get started.

Agenda

Over the next 30 minutes, we'll discuss Touchpoint Curriculum and how you'll use it as a CFS. We'll talk about the policy that mandates the training and the principles it's built on. We'll define all 12 Touchpoints, the learning objectives of each, the tools you have available and how the military keeps track of this training.

Directive Type Memorandum DTM19-009



INSTRUCTOR NOTE: (OPTIONAL) Why does the DoD care about your financial situation? Service members have primary responsibility for maintaining their financial readiness. Financial readiness is a state in which successful management of personal financial responsibilities supports a Service member's ability to perform his or her wartime responsibilities. Lack of financial readiness can have negative impacts on mission readiness and the Department's ability to carry out its responsibilities in support of the National Defense Strategy. Financial readiness impacts mission readiness.

Refer learners to TC 1 Student Manual, pages 1-5 through 1-18.

The Directive Type Memorandum (DTM) 19-009 establishes Financial Readiness Common Military Training (CMT) Requirements to provide Service members the knowledge, skills, and behavior standards to manage their personal affairs. Financial readiness impacts mission readiness.

What Are the Touchpoints? Road to Financial Readiness

INSTRUCTOR NOTE: Refer learners to TC 1 Student Manual, page 1-19 for the Road to Financial Readiness.

As a CFS, it's important for you to understand each of these Touchpoints so you can deliver the right training at the right time to Service members.

Think of your financial journey as a road trip. Where are you now? Where do you want to be? How will you get from here to there? As with most successful journeys, you'll need to chart your course and make a plan. You'll also need regular fill-ups and tuneups along the way. Quite likely, even some course corrections or detours.

Touchpoint Curriculum is like a pit stop on the road to financial readiness that allows Service members to pull off the road to get the help they need when they need it. As a CFS, you lead the pit crew. But your PFMs are always here to help!

There are 13 Touchpoints identified in the DTM and illustrated on this Road to Financial Readiness flyer. Each of these major events come with financial considerations and decisions. Each of these personal or professional milestones come with a lot of financial considerations and decisions.

If you're a Marine, you'll recognize these events as Financial Education Action Points. Soldiers refer to them as Milestones.

As a CFS, you'll use your Touchpoint Toolbox to provide actionable, relevant, and timely information to help people make the decisions need to be made. You'll help them improve financial skills so they can make good financial decisions and follow through on their financial action plans.



SLIDE 5

5 Principles for Financial Literacy

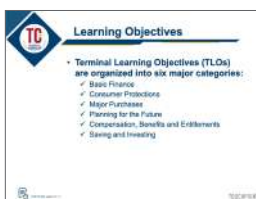
The Department of Defense is committed to incorporating appropriate best practices in its financial literacy training to ensure Service members receive quality education. This approach to financial literacy education is consistent with best practices commonly identified in research and literature. Training is designed with a specific population in mind and builds on motivation associated with various personal and professional milestones that occur throughout a Service member's life and career.

5 Principles (Best Practices) for Financial Literacy

1. Know the individuals receiving services
 - Information is more effective when matched to people's specific circumstances, challenges, and goals
2. Provide actionable, relevant, and timely information
 - Service members are more likely to absorb information connected to an upcoming decision that matters to them, at a time when they can apply it using concrete steps to follow.

3. Improve key financial skills
 - Know when and how to find reliable information to make financial decisions, how to process information, and how to follow through
4. Build on motivation
 - Help strengthen qualities and attitudes to build confidence and stay motivated
5. Make it easy to make good decisions and follow through
 - Help see things through to completion

INSTRUCTOR NOTE: This is the study that you may want to familiarize yourself with before class: https://files.consumerfinance.gov/f/documents/201706_cfpb_SUMMARY_five-principles-financial-well-being.pdf.



SLIDE 6

Learning Objectives

Like all common military training (CMT), Touchpoint Curriculum has specific Terminal Learning Objectives (TLOs).

The TLOs are organized into six major categories:

1. Basic Finance
2. Consumer Protections
3. Major Purchases
4. Planning for the Future
5. Compensation, Benefits and Entitlements
6. Saving and Investing

Each of these categories have specific TLOs that are designed to ensure that Service members gain knowledge, skills, and abilities that are applicable to each Touchpoint.



SLIDE 7

TLO Matrix, page 11 of DTM



INSTRUCTOR NOTE: Refer learners to the TLO Matrix in their Student Manual on pages 1-15 and 1-16 to follow along.

This Matrix establishes standard CMT TLOs required at each training point. Unless otherwise directed, leaders at all levels may use these TLOs to meet financial readiness CMT requirements, may determine how best to achieve these requirements, and will use their individual and collective training assessments to identify subject matter gaps consistent with DoDI 1322.31.

Let me orient you to the Matrix.

Major Topics in first column: First thing I'll mention are the major topics along the left column. Each learning objective is categorized under these 6 major topics. On this page, you see Basic Finance, Consumer Protection, and Major Purchases.

Top row: Next let's look at the Touchpoints listed along the top row. There are 10 listed. As a reminder, you won't deliver Initial Entry Training (IET) or Transition Assistance Training (TAP). Also note that Major Life Events includes *Marriage*, *First Child*, *Divorce*, and *Disability* since they all have the same TLOs.

Each "X" represents a TLO for that Touchpoint. Let's do a quick quiz to make sure you know how to follow this Matrix:

1. What's the first TLO for *First Duty Station*? "Understand the fundamentals of banking services and fees."

Why do you think this is important for a young Service member arriving at their *First Duty Station*?

2. What's the first TLO for the Major Life Events? "Understand fundamentals of creating and managing a spending plan."

Why do you think this might be an important thing to talk about when someone gets married or has a baby?

SLIDE 8

TLO Matrix, page 12 of DTM

On this slide, I'd like to call your attention to the Notes section at the bottom of the Matrix in your DTM:

1. Notice that the remaining three categories are listed here: Planning for the Future; Compensation, Benefits, and Entitlements; and Saving and Investing.
2. See the Notes at the bottom of the page: PCS only applies to Service members in paygrades of E1-4 and O1-3. Promotion applies to paygrades E1-5 and O1-4. Major Live Events include *Marriage*, *First Child*, *Divorce*, and *Disability*. They will be delivered as needed.

SLIDE 9

Student Manual Orientation



INSTRUCTOR NOTE: Refer learners to their Student Manual, *TC 5 Vesting in the TSP*.

There are 12 Touchpoint Student Manuals. Each has the same six-section outline. Let's take a look at *TC 5 Vesting in the TSP* Student Manual.

Section I: INTRODUCTION. For consistency, this short paragraph is similar to the introduction paragraph of the Touchpoint Checklist.

Section II: LEARNING OBJECTIVES. This section lists Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs). The TLOs are from the DTM or pre-decisional DoDI 1322.31. The ELOs are from the DoD Training Standard Sheets (TSS). As you see in the TC 5 Student Manual, there are two TLOs and they each have one ELO. Other Touchpoints will have more.

Section III: REFERENCES. The references listed support the learning objectives and helped create the Touchpoint curriculum. Name one of the references.

Section IV: ACRONYMS. This section lists all the tools and resources available for a CFS to teach the touchpoint, including Checklists and Handouts, classroom training materials, and online options. I will provide more information on how to utilize each of these tools later in this presentation.

Section V: TOUCHPOINT TOOLBOX: MATERIALS AND RESOURCES TO TEACH TOPIC. This is your Toolbox. More discussion on next slides.

Section VI: ADDITIONAL LEARNING AND ACTIVITIES. This section is designed to provide the CFS with ideas for exercises and activities to reinforce learning. This may be useful if a CFS has a short amount of time to conduct a training session for the command on a specific financial consideration at a given Touchpoint. This section provides a list of PFMSC classes that provide additional information relevant to each Touchpoint.



SLIDE 10

Touchpoint Toolbox

Every job is easier with the right tool. That's why we're giving you a toolbox and the flexibility and autonomy to determine which tool is right for your job.

There are three different ways you can teach *Touchpoint Curriculum*. You decide which one best fits the needs of your client, your knowledge and familiarity of topic, or the resources available to you.

Each of these three tools in your toolbox meet TLOs for that specific Touchpoint.



SLIDE 11

One on One: Touchpoint Checklists and Handouts



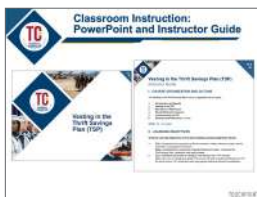
INSTRUCTOR NOTE: Refer learners to TC 3 *PCS* Counselor Checklist. What Handouts are listed? What is the Catalog Identification Number (CIN)?

Each Touchpoint has a Counselor and Counselor Checklist. Each Checklist provides actionable, relevant, and timely information that Service members can use to make informed financial decisions. Both have the same content so here's the main difference.

- The Counselor Checklist has notes that help guide your conversation with your counselee.
- The Counselor Checklist has signature blocks for both of you to sign and date to indicate when the counseling was completed. Counselor Checklists also include the Catalog Identification Number (CIN) along the bottom banner.

One more note about Checklists: In the top right corner, there is a blue box that lists Handouts applicable to that Touchpoint. Handouts provide more detailed information to reinforce learning objectives.

These Checklists are great tools for everyone. They serve as fundamental learning tools for financially inexperienced Service members or reminders for those who are already on track with their finances. They are comprehensive and proactive tools that help you to handle small tasks before they become big issues. You don't have to be an expert in every topic. That's what a Checklist is for.



SLIDE 12

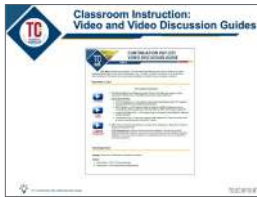
Classroom Instruction: PowerPoint and Instructor Guide



INSTRUCTOR NOTE: Refer learners to TC 5 *Vesting in the TSP*.

Each Touchpoint has a PowerPoint presentation and Instructor Guide. You may choose this option to deliver Touchpoint Curriculum training if you have a group of Service members that need the same training at the same time.

Even if you decide to teach from a PPT, you will reference Checklists and Handouts throughout the presentation.



SLIDE 13

Classroom Instruction: Videos and Video Discussion Guide



INSTRUCTOR NOTE: Refer learners to TC 6 *Continuation Pay* Video Discussion Guide.

Finally, there are Videos and Video Discussion Guides that may be used to satisfy Touchpoint Curriculum. These are a series of short videos that you can use if you are not familiar teaching a topic. The Video Discussion Guide gives specific talking points and knowledge checks between videos.

This may be a great way to provide training to your command if you aren't 100% comfortable teaching a class with a PPT presentation. Remember that PFM's can come co-teach with you to help get you comfortable with the material.

With both methods of classroom training, PPT and Videos, you'll always use the Checklist and Handouts. Remember to sign and date the Counselor Checklist to verify completion of training.



SLIDE 14

Online Learning

Online learning is another option for completion of Touchpoint training. As of October 2020, Sailors are able to complete their Touchpoint training on Navy e-Learning and their certificate of completion goes straight to FLTMPs. Beginning in December 2020, Sailors will be able to complete self service Touchpoint training through MyNavy Financial Literacy mobile application.

Talk to your PFM or PFC to find out what online or self service Touchpoint training options are available for your service.



SLIDE 15

Where Is My Touchpoint Toolbox?

Your Navy Touchpoint Toolbox is available in many different places to include FINRED's Navy Resources Page, CNIC website, and PFM milSuite site. Check with your specific service for their websites and locations.

If this is an in-person class, you will receive a Student Manual that includes hard copy of printed material and a DVD with PPT/IGs and Videos/VDGs.

You can order a DVD with Checklists and Handouts, PowerPoint (PPT) Training Slides and Instructor Guides, Videos and Video Discussion Guides.



SLIDE 16

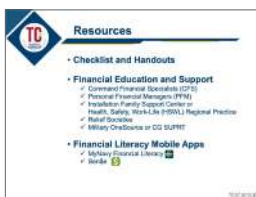
Touchpoint Training Start to Finish

How does this all begin? When does a Service member know when they have a Touchpoint requirement?

This slide is specific to USN only.

1. NSIPS Message directs Sailor to CFS, PFM, or FFSC for assistance. Remind Sailors to keep their email address updated in NSIPS. This is especially important for those Sailors approaching entitlement to Continuation Pay. It is extremely important for Sailors to keep their email address updated in NSIPS. This is especially important for those Sailors approaching entitlement to Continuation Pay.
2. CFS or PFM delivers Touchpoint Curriculum. Be sure to sign and date the Sailor's Counselee Checklist. If Sailor opts for self-service online or mobile learning, Navy e-Learning and MyNavy Financial Literacy mobile application will send training completion to FLTMPs.
3. Sailor provides verification of completed training to command for FLTMPs entry.

It is important for you as a CFS to get and stay connected with Career Counselors, administrative LPOs, and training LPOs. These are key partners to help ensure financial literacy Common Military Training (CMT) gets delivered and recorded.



SLIDE 17

Resources

You have many resources available to you.

Checklists and Handouts are a great resource to help navigate the financial decisions you'll need to make and help others make, so become familiar with them and refer back to them.

You are not alone! You have many layers of support to help you learn more and make good financial decisions.

You can talk to other CFSs at your unit or meet with a PFM and attend a class at your local installation service center. You can call Military OneSource or CG SUPRT for additional assistance. This is a great option for flexibility of scheduling since the call center has extended hours. You may also access the FINRED Sen\$e mobile app or the MyNavy Financial Literacy mobile application for assistance with a variety of personal finance issues.



SLIDE 18

Questions?

As a reminder, Touchpoint Curriculum is a life cycle/career cycle approach to financial literacy training. As a CFS, you play a critical role in its delivery. You are your command's subject matter expert but you are not alone. Partner with your Personal Financial Manager/Counselor whenever you need assistance. We are here for you. Thank you in advance for helping improve mission readiness through financial readiness. Questions?



SLIDE 19

Touchpoint Toolbox Demos

INSTRUCTOR NOTE: This slide is for use during in-person class only. Virtual adaptation does not include small group presentations.

V. FORMS provided in Student Manual:

DTM 19-009

- FINRED Road to Financial Readiness
- CFPB Five Principles for Financial Literacy
- How to Access Touchpoint Training on Navy e-Learning

Touchpoint Curriculum may be accessed on the following websites:

Office of Financial Readiness (FINRED), Navy Resource Page:
<https://finred.usalearning.gov/SPL/Training/NavyResource>

PFM milSuite site:
<https://www.milsuite.mil/personal-financial-management-program-wfl/>

CNIC website:
https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html

milSuite
<https://www.milsuite.mil/book/groups/cnic-personal-financial-management-program-wfl>

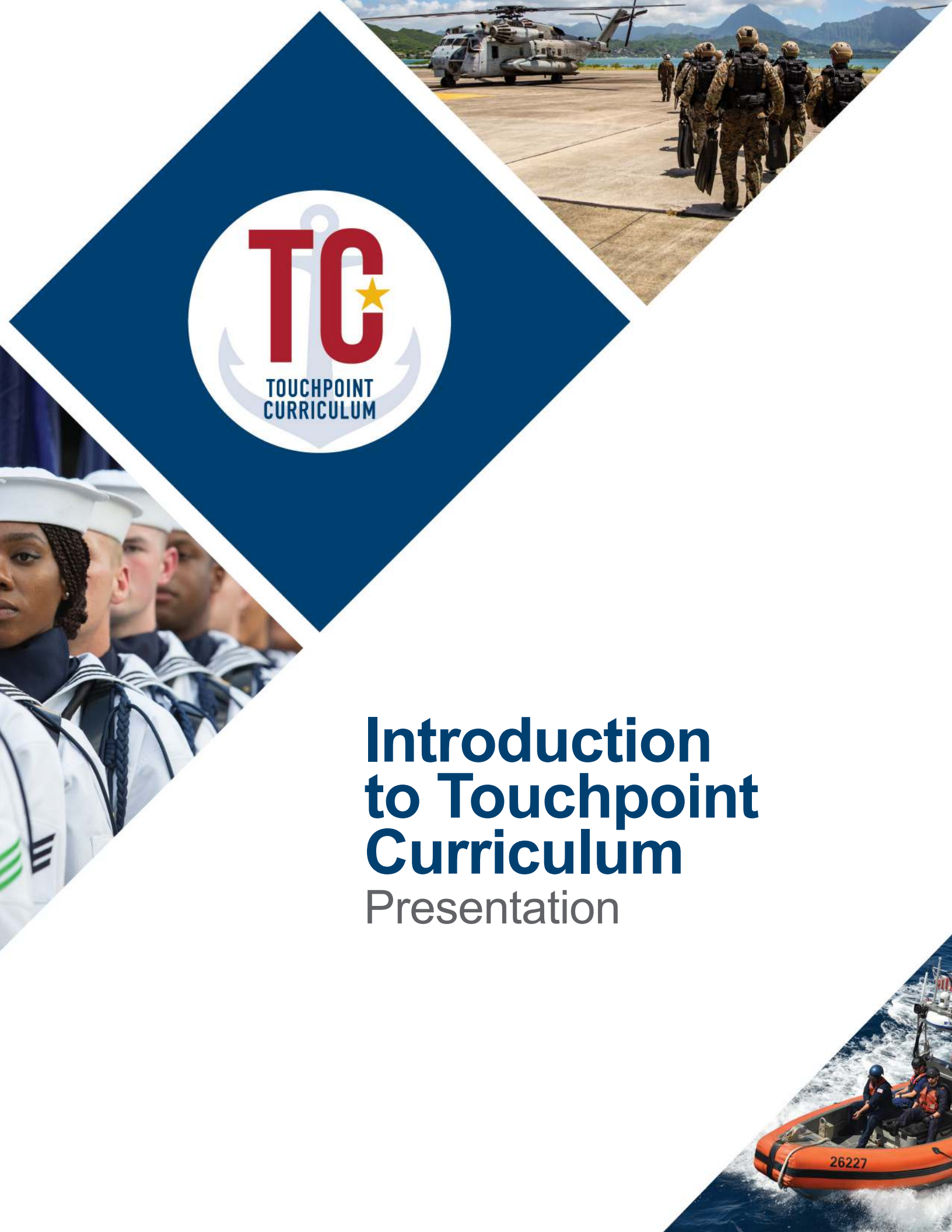
CNIC
https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html

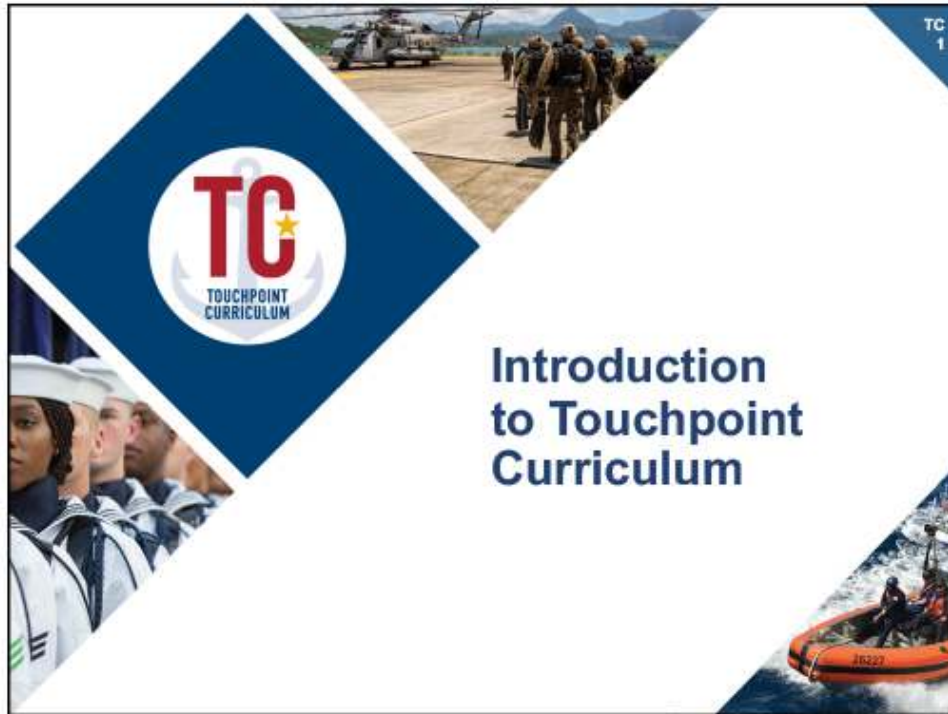
FINRED Navy Resources Page



Introduction to Touchpoint Curriculum

Presentation





1


This slide features the Touchpoint Curriculum logo in a blue diamond on the left. The title 'Agenda' is centered at the top, underlined with a blue and yellow bar. Below the title is a bulleted list of agenda items. The word 'TOUCHPOINT' is printed in the bottom right corner.

Agenda

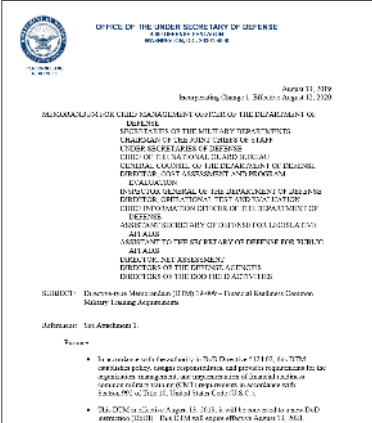
- **What Is Touchpoint Curriculum?**
 - ✓ Policy
 - ✓ Financial Literacy Best Practices
- **Road to Financial Readiness**
- **Learning Objectives**
- **Touchpoint Toolbox**
- **Training Initiation and Completion**

TOUCHPOINT



2




Directive Type Memorandum DTM19-009




- Financial Readiness
Common Military Training
(CMT) Requirements
- Provide Service members
the knowledge, skills, and
behavior standards to
manage their financial
affairs
- August 13, 2019


DTM 19-009




3




What Are the Touchpoints?



- First Duty Station
- PCS Moves
- Promotion
- Vesting in the TSP
- Entitlement for
Continuation Pay
- Disabling Condition
- Divorce
- Birth and Adoption
- Marriage
- Leadership Training
- Pre- and Post-
Deployment


Road to Financial Readiness


4



5 Principles for Financial Literacy

- Know the individuals receiving services
- Provide actionable, relevant, and timely information
- Improve key financial skills
- Build on motivation
- Make it easy to make good decisions and follow through

TOUCHPOINT

5



Learning Objectives


- Terminal Learning Objectives (TLOs) are organized into six major categories:
 - ✓ Basic Finance
 - ✓ Consumer Protections
 - ✓ Major Purchases
 - ✓ Planning for the Future
 - ✓ Compensation, Benefits and Entitlements
 - ✓ Saving and Investing



DTM 19-009, pages 10 - 11

TOUCHPOINT


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Terminal Learning Objective (TLO) Matrix

		Initial Entry Training	First Duty Station	Permanent Change of Station	Promotion	Vesting in TSP	Entitlement to Continuation Pay	Major Life Events	Leadership Training	Pre-and Post-Deployment	Transition
Basic Finance	Recognize the importance of personal financial management and what resources are available	X							X		
	Identify warning signs of Service members at risk for financial problems	X							X	X	
	Understand the fundamental of banking services and fees	X	X								
	Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan		X	X	X		X	X		X	X
	Understand the fundamentals and management of debt and credit	X	X	X						X	
Consumer Protections	Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation		X				X	X		X	X
	Know military consumer protection law fundamentals (SCRA/MLA)	X								X	
	Recognize and understand how to protect yourself from misleading consumer practices, and report complains		X				X			X	
Major Purchase	Recognize and identify steps to resolve identity theft.		X							X	
	Analyze the implications and identify strategies for financing a major purchase	X	X								
	Analyze financial implications and identify strategies for buying a car		X								
	Understand education financing, to include available benefits, obligations, and repayment options		X					X			

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Terminal Learning Objective (TLO) Matrix

Notes:
 Permanent Change of Station applies to Service members in paygrades E-1 to E-4 and O-1 to O-3.
 Promotion applies to Service members in paygrade E-1 to E-5 and O-1 to O-4.
 Major Life Events includes, at a minimum, marriage, birth of first child, divorce, and disabling sickness or condition.
 Transition includes separation, transition between Active and Reserve Components, and retirement.


		Initial Entry Training	First Duty Station	Permanent Change of Station	Promotion	Vesting in TSP	Entitlement to Continuation Pay	Major Life Events	Leadership Training	Pre-and Post-Deployment	Transition
Planning for the Future	Comprehend the components of Service member's military retirement system and the importance of preparing for retirement	X				X	X	X	X		X
	Discuss the reasons, needs, types, and options for purchasing insurance		X					X		X	X
	Understand purpose and implications of estate planning (beneficiaries, will, trust, power of attorney, etc.)	X						X		X	X
Compensation, Benefits, and Entitlements	Know the components of basic pay and allowances throughout one's military career	X									
	Examine the impact of special pay and entitlements		X	X						X	
	Discuss TRICARE options and costs		X					X		X	X
	Discuss survivor and dependent benefits							X		X	X
Saving and Investing	Understand future financial benefits afforded by the Department's Career Investment Programs		X	X							
	Understand interest and how the concept of compounding works		X								
	Recognize the importance of and be able to develop savings and an emergency fund		X	X				X		X	X
	Describe the fundamentals of investing		X								
	Understand and be able to manage a Thrift Savings Plan (TSP) account		X	X	X					X	X

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Student Manual Orientation


- **Section I: Introduction to Touchpoint**
- **Section II: Learning Objectives (TLOs and ELOs)**
- **Section III: References**
- **Section IV: Acronyms**
- **Section V: Touchpoint Toolbox**
- **Section VI: Additional Learning and Activities**



TC 5 Vesting Student Manual

TOUCHPOINT

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Touchpoint Toolbox


- **One on One**
 - ✓ Checklist and Handouts
- **Classroom**
 - ✓ Checklists and Handouts
 - ✓ PowerPoint (PPT) Training Slides and Instructor Guide (IG)
 - ✓ Videos and Video Discussion Guides (VDG)
- **Online Training**
 - ✓ Navy e-Learning, MyNavy Portal Financial Readiness, or your service-specific e-Learning site

TOUCHPOINT

10



One on One: Touchpoint Checklists and Handouts



PERMANENT CHANGE OF STATION (PCS)
MY CHECKLIST

HANDOUTS
Spending Plan Worksheet
Moving Costs Checklist
Source of Help for Military Consumers
Mortgage
State of Being a New Resident Worksheet for a PCS

BASIC FINANCE

Update your personal spending plan using the "Spending Plan Worksheet." A good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four steps financial experts suggest to get started:

Step 1: Understand your current situation.
In this step, it's important to understand what's REALLY going on with your money today. Start tracking all your income and spending for the next 30 days. How do you do the tracking is up to you, but what's important is you do it.

Step 2: Know where your money should go.
Financial experts offer these general guidelines when budgeting your money:

- Try to save and/or invest 10% – 15% of gross pay.
- Create a plan for setting aside money and putting limits on how much you'll spend each month per category.
- Prioritize your financial goals.
- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

Step 3: Create a plan.

Build a plan for setting aside money and putting limits on how much you'll spend each month per category.

• Prioritize your financial goals.

• Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

PCS - FINE 1

Prepare for potential costs associated with taking sets to your new duty station. These costs may include reimbursements required for overseas travel (quarantine, airline costs, etc.)

Obtain passports and visas, if appropriate. There will be costs associated with passports and visas when transferring overseas, which may be reimbursed with continental advance. More information on passport fees and processing times (usually four to six weeks after application) is available on the State Department website <https://www.state.gov/department/passports.html>

Additional notes: _____

PCS CONSIDERATIONS (During Your PCS)

Estimate travel costs for your PCS move using the "Estimated Travel Costs for a PCS" provided. Remember to keep all receipts so you can complete your travel claim immediately upon arrival. Also, any unanticipated moving expenses may be eligible for a tax deduction. Be sure to consult with a tax professional.

PCS CONSIDERATIONS (After You Arrive)

Prepare for possible expenses once you arrive such as security deposits, holding, child care, and vehicle registration costs.

Child care can be a big expense, so seek out potential resources to help reduce costs:

- Military OneSource: <http://www.militaryonesource.com>
- Command sponsors in your new location
- MilitaryOneCare.com: www.militaryonecare.com: A DoD-sponsored organization assisting military families with providers that includes both child development centers on base and certified care homes. Visit MilitaryOneSource and the Military Stress Employment partnership website for options needing help seeking new employment: <http://www.militaryonecare.com/ta.html>


Additional notes: _____

OCPSM Printed Name: _____ Counselor Printed Name: _____

Signature: _____ Date: _____ Signature: _____ Date: _____


Issued by: DOW/OCPSM 11-11 (updated August 2020)

PCS - PAGE 1


 TC 3 Permanent Change of Station (PCS) Counselor Checklist

TOUCHPOINT

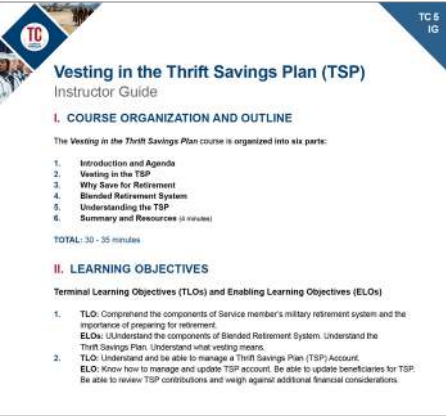
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Classroom Instruction: PowerPoint and Instructor Guide



Vesting in the Thrift Savings Plan (TSP)



Vesting in the Thrift Savings Plan (TSP)
Instructor Guide

I. COURSE ORGANIZATION AND OUTLINE

The Vesting in the Thrift Savings Plan course is organized into six parts:

1. Introduction and Agenda
2. Vesting in the TSP
3. Why Save for Retirement
4. Blended Retirement System
5. Understanding the TSP
6. Summary and Resources (if revised)

TOTAL: 30 - 35 minutes


II. LEARNING OBJECTIVES

Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

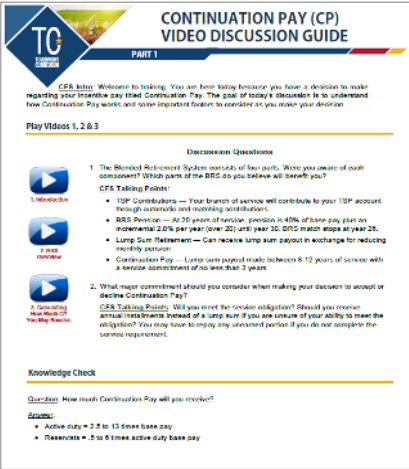
1. **TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
ELOs: Understand the components of Blended Retirement System. Understand the Thrift Savings Plan. Understand what vesting means.
TLO: Understand and be able to manage a Thrift Savings Plan (TSP) Account.
ELO: Know how to manage and update TSP account. Be able to update beneficiaries for TSP. Be able to review TSP contributions and weigh against additional financial considerations.


TOUCHPOINT

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Classroom Instruction: Video and Video Discussion Guides





TC 6 Continuation Pay Video Discussion Guide



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Online: Navy e-Learning or MyNavy Financial Literacy Application







TC 6 Online: Navy e-Learning or MyNavy Financial Literacy Application



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Where Is My Touchpoint Toolbox?

Office of Financial Readiness (FINRED), Navy Resource Page:
<https://finred.usalearning.gov/SPL/Training/NavyResource>

PFM milSuite site:
<https://www.milsuite.mil/personal-financial-management-program-wfl/>

CNIC website:
https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html

CFS Touchpoint DVD:
<https://www.personalfinanceformilitarylife.org/product/financial-literacy-touchpoint-videos-and-resources-navy-edition-april-2020/>

TOUCHPOINT

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Training Initiation and Completion for Navy



- 1. NSIPS Message directs Sailor to CFS, PFM, or FFSC for assistance**
 - ✓ Remind Sailor to keep email updated in NSIPS. This is also how they will receive notification to apply for Continuation Pay.
- 2. CFS or PFM delivers Touchpoint Curriculum or refers Sailor to online learning.**
- 3. Sailor provides verification of completed training to command for FLTMPs entry.**

TOUCHPOINT

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Resources

- **Checklist and Handouts**
- **Financial Education and Support**
 - ✓ Command Financial Specialists (CFS)
 - ✓ Personal Financial Managers (PFM)
 - ✓ Installation Family Support Center or Health, Safety, Work-Life (HSWL) Regional Practice
 - ✓ Relief Societies
 - ✓ Military OneSource or CG SUPRT
- **Financial Literacy Mobile Apps**
 - ✓ MyNavy Financial Literacy 
 - ✓ Sen\$e 

TOUCHPOINT

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Questions?

The appearance of U.S. Department of Defense (DoD) visual information does not imply or constitute DoD endorsement.

TOUCHPOINT

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Touchpoint Toolbox Demos: 0830-1000 Small Group Preparation



- Team A: (30 min) TC 6 Entitlement to Continuation Pay – PPT/IG or Video/VDG
- Team B: (90 min) TC 3 PCS – PPT/IG with Counselor Checklist
- Team C: (30 min) TC 4 Promotion – PPT and IG or Video/VDG
- Team D: (30 min) TC 11 Leadership – 1-1 Counseling Role Play (without eFPW)
- Team E: (90 min) TC 12A Pre-Deployment Preparation
- PPT/IG with Checklists/Handouts
- Teams F and G: (60 min each) Present one Major Life Event (TC 7-10). One team uses PPT/IG or Video/VDG. Other team presents via counseling role play.

TOUCHPOINT



- Student Manual
- Counselor (PFM/CFS) Checklist
- Counselee Checklist
- Instructor Guide
- Video Discussion Guide
- PowerPoint Slides

TC 3

Permanent Change of Station (PCS)





Permanent Change of Station (PCS) Student Manual



I. INTRODUCTION

After completing this chapter, you will understand how to assist Service members with financial considerations of a PCS Move. Whether this is their first PCS or their fifth, the process can be exciting, stressful, and financially concerning. As a CFS, you can help your Service members gather information, plan ahead, and know what resources are available for their departure from or arrival to a new duty station. In this Student Manual, we'll introduce you to the PCS tools that allow you to teach your Service members what they need to know to make knowledgeable decisions before, during, and after their move. Use these resources as a solutions-focused tool to help your counselee set goals, establish priorities, and develop a family action plan.

II. LEARNING OBJECTIVES

Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

- 1. TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.

ELOs: Be able to calculate the differences in pay and benefits from previous duty station to current duty station. Be able to identify changes in expenses from previous duty station to current duty station. Update personal spending plan.
- 2. TLO:** Understand the fundamentals and management of debt and credit.

ELOs: Know how to check and resolve errors on a credit report. Understand strategies to raise a credit score. Know strategies for managing credit and debt. Know several resources for funding major life events that reduce the need for additional credit.
- 3. TLO:** Examine the impact of special pay and entitlements.

ELO: Understand typical costs and entitlements associated with a change in duty station.
- 4. TLO:** Know military consumer protection law fundamentals, including the Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA).

ELOs: Understand the components and protections for Service members under the SCRA and MLA. Know basic procedures for handling a consumer complaint or dispute associated with the SCRA or MLA. Understand how the basic protections afforded under the SCRA can protect finances.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.gov>
- Cost of Living Calculator — <https://www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx>
- Military Compensation Policy — <https://militarypay.defense.gov/Pay>
<https://militarypay.defense.gov/Benefits.aspx>
- Defense Finance and Accounting Service (DFAS) — <https://www.dfas.mil>
- Internal Revenue Service (IRS) — <https://www.irs.gov>
- myPay — <https://mypay.dfas.mil>
- U.S. General Services Administration (GSA)/Travel Per Diem rates — <https://www.gsa.gov/travel/plan-book/per-diem-rates>
- Defense Travel Management Office — <https://www.defensetravel.dod.mil/site/allowances.cfm>
- milConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- Free annual credit report — <https://www.annualcreditreport.com>
- milSuite for PFM — <https://www.milsuite.mil/book/groups/cnic-personal-financial-management-program-wfl>
- Money and Mobility publication — <https://www.saveandinvest.org/sites/saveandinvest/files/Money-Mobility.pdf>
- CNIC Touchpoint Curriculum — https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html

IV. ACRONYMS AND ABBREVIATIONS

Acronym/Abbreviation	Full Name	Definition
BAS	Basic Allowance for Subsistence	BAS is an allowance to offset costs for a member's meals.
BAH	Basic Allowance for Housing	BAH is an allowance to offset the cost of housing when members do not receive government-provided housing.
COLA	Cost of Living Allowance	COLA is a supplement designed to equalize purchasing power between high and low-cost areas.
CONUS	Continental United States	This refers to locations within the continental United States.
FSA	Family Separation Allowance	FSA is payable when a military member is forced to be away from his/her dependents for longer than 30 days due to military orders.
LES	Leave and Earnings Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
MIHA	Move-in Housing Allowance	MIHA is a lump-sum allowance provided to Service members assigned to overseas locations to help meet expenses for major appliances, other improvements, or to pay non-refundable rent-related taxes or fees – MIHA does not require repayment.
OCONUS	Outside Continental United States	This refers to locations outside the continental United States.
OHA	Overseas Housing Allowance	OHA is paid to Service members who live in private housing at their overseas duty station – OHA replaces BAH.
PER DIEM	Per Diem	Per Diem is the daily allotted pay the DoD gives Service members while they are traveling on official duty orders.

V. TOUCHPOINT TOOLBOX: MATERIALS AND RESOURCES TO TEACH TOPIC

All materials are available on PFM MilSuite, CNIC and FINRED websites (listed in references), and DVD. Links to curriculum may change or vary locally.

Delivering the right financial training at the right time helps ensure that Service members understand the financial implications, considerations, and decisions that need to be made at each Touchpoint. The tools listed below teach the same story but let you, the CFS, tell it different ways, depending on your audience, your time allotted, or your particular teaching style. They can be mixed and matched to provide the best learning experience.

REMEMBER: Every Counselee should receive a signed, dated copy of the Counselee Checklist to verify training completion and, most importantly, to ensure they have a reference to help them navigate the financial decisions required at each Touchpoint.

1. One-on-One Counseling Checklists and Handouts (Service Specific)

- *PCS Counselor Checklist*
- *PCS Counselee Checklist*

Handouts:

- *Spending Plan Worksheet*
- *Understanding Credit*
- *Military Consumer Protection*
- *Sources of Help for Military Consumers*
- *Major Purchases*
- *5 Rules of Buying a House*
- *Estimated Travel Costs for a PCS*

2. Classroom Training Materials (Service Specific)

All materials available on disc, or PFM milSuite and CNIC websites. Links to curriculum may change or vary locally.

- *PCS Touchpoint Checklists and Handouts*
- *PCS PPT Training Slides and Instructor Guide (IG)*
- *PCS Videos and Video Discussion Guides*

3. Online Training

- *PCS Course (Navy e-Learning, MyNavy Portal or your service-specific e-Learning site)*

VI. ADDITIONAL LEARNING AND ACTIVITIES

Moving often means adjusting to change and starting new routines. This is especially true for finances and cash flow. Use this opportunity to work through some of the tools to help your Service members plan and prepare. PCS moves mean adjusting your spending plan. A spending plan will help your Service members manage their money, plan for their financial goals, and prepare for emergencies.

Here are some activities to have with your audience:

- Complete the *Spending Plan Worksheet* Handout
- Bank rate cost of living calculator to help estimate expenses for the new duty station
- Complete the *PCS Expense Worksheet* Handout
- Military OneSource Demo: “Plan My Move” Before, During, After Checklists

Encourage Service members to attend PFM Standard Curriculum courses at the local Installation Family Service Center to learn more about financial considerations for this Touchpoint.

- Money and The Move
- Developing Your Spending Plan
- Thrift Savings Plan
- Renting or Home Buying
- Car-Buying Strategies



PERMANENT CHANGE OF STATION (PCS)

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Moving often means adjusting to change and starting new routines. This is especially true for your finances and cash flow.

This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help you to prepare for the main financial considerations of a PCS and make sound financial decisions.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Estimated Travel Costs for a PCS



BASIC FINANCE

- Update your personal spending plan using the "Spending Plan Worksheet." A good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four steps financial experts suggest to get started.

Counselor: Inform counselees that you can provide a "Spending Plan Worksheet" as well as more detailed templates with features that can help them understand their financial situation and reduce excessive debt.

Step 1: Understand your current situation.

In this step, it's important to understand what's REALLY going on with your money today. Start tracking all your income and spending for the next 30 days. How you do the tracking is up to you, but what's important is you do it.

Step 2: Know where your money should go.

Financial experts offer these general guidelines when budgeting your money:

- Try to save and/or invest 10% – 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas and maintenance to 15% – 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, and maintenance to your Basic Allowance for Housing or 25% of pretax pay.

Step 3: Create a plan.

Build a plan for setting aside money and putting limits on how much you'll spend each month per category.



- Prioritize your financial goals.
- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

Counselor: Share with counsees the concepts of paying yourself first, automating savings, and keeping their emergency fund in a separate account. Suggest they make it effortless by setting up an automatic transfer through their bank or an allotment, time permitting.

Step 4: Make adjustments.

Update your spending plan as your life changes. Monitor your plan until you have fully adjusted your finances to reflect your new situation.

- Identify changes in pay, expenses and taxes from your current duty station to your next duty station.
 - Budgeting to live on one income is a great way to reduce financial-related stress during a PCS. The second income, once re-established, can be used to save for goals and quality-of-life improvements. Using this strategy can reduce a long-term debt and reduce stress if there is a pay issue during the move.
 - Potential changes to income could include an increase or decrease in pay, to include: Cost of Living Allowance (COLA), Basic Allowance for Housing (BAH), Special and Incentive Pay, and spousal income. Visit www.defensetravel.dod.mil/site/allcalc.cfm to calculate expected changes to your pay.
 - Potential changes to your expenses at your next duty station may include an increase or decrease in: housing, transportation, insurance, child care, food, fuel and utilities. It's important to establish a spending plan so you can identify and adjust to these changes.
 - Note: Your tax liability could change depending on where you are relocated. Speak to a tax professional to discuss your specific situation.

- Notify your financial institutions and creditors of your upcoming move. Consider setting up automatic bill pay to avoid missed or late payments. Confirm all transactions have cleared your bank or credit union account, if you plan to switch financial institutions at your next duty station.

- Check each of your three major credit reports for free at www.annualcreditreport.com. Sailors can request free credit monitoring services from the nationwide credit reporting agencies: Equifax, Experian, and TransUnion. Review the "Understanding Credit" handout for more information.

Counselor: Remind counsees that a Personal Financial Manager/Educator (PFM/E), can provide a free copy of their credit report, help them interpret their reports and discuss what they need to do to improve their scores.

- Develop a plan for managing and paying off your debt. Help is available at your Fleet and Family Support Center (FFSC) or at www.powerpay.org.

- Consider the pros and cons of changing state residency. The Military Spouses Residency Relief Act (MSRRA) gives the spouse of an active-duty Service member the option not to change state residency when relocating to a new state due to a PCS. Changing may not be the best option for a spouse because it may impact state income tax, personal property taxes, car registration, and voter registration.

- Under MSRRA, if your spouse plans to work in the new location and not change residency, they should file their IRS Form W4 with their employer.

Additional notes: _____



CONSUMER PROTECTIONS

- Review the "Military Consumer Protection" handout for additional information on identity theft, the Servicemembers Civil Relief Act (SCRA), and Military Lending Act (MLA).

Counselor: Remind counsees the base legal office can assist by reviewing contracts to help counsees from falling prey to predatory lenders and fraudsters.

- Protect yourself from misleading consumer practices and know basic procedures for handling a consumer complaint or dispute. Review the "Sources of Help for Military Consumers" handout.



MAJOR PURCHASES

- Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases related to your PCS. Review the "Major Purchases" and "5 Rules of Buying a House" handouts for more information.

Additional notes: _____



PLANNING FOR THE FUTURE

- Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below.

L liabilities	Debt you would like to pay off, like a mortgage, auto loan or credit cards(s)	\$
I ncome to be replaced	Multiply targeted annual income amount by the number of years to replace	\$
F uneral and final expenses	The amount you would like to set aside for final expenses	\$
E ducation and other goals	The amount you want to set aside to fund education and other goals for family, friends or charitable organizations	\$
	Total life insurance needed	\$\$\$\$

Then compare your life insurance needs with your current amount of coverage plus any assets and benefits available at death. If you find you need additional coverage, consider supplementing Servicemembers' Group Life Insurance (SGLI) with a commercial life insurance policy. Review the policy for any restrictions, such as a war clause. Common life insurance policies include:

- Term insurance — provides a stated amount of coverage over a specific period of time and is designed to provide a large amount of coverage for the least cost.
- Permanent insurance — provides coverage designed to last for your entire life and can build cash value.

There are several permanent life insurance options offered such as universal life, whole life, variable life and even variable universal life insurance. These policies may have a surrender period and be subject to fees and penalties if canceled during this time.

Counselor: Remind counselees to ask questions and fully understand any commercial life insurance policy they are considering purchasing. They should understand the cost, coverage, terms and conditions, as well as how the agent is compensated before making a decision to buy.

Additional notes: _____

★ COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Speak with your installation’s Finance Office and Travel Management Office for the most up-to-date information on travel pay and allowances specific to your situation.
- Typical Travel Pay and Allowances:

Allowance	Purpose
Mileage reimbursement	Offset driving costs
Per diem	Cover hotel and meals
Dislocation allowance	Cover expenses not otherwise reimbursed

- Other Allowances (Location Specific)

OHA	Overseas Housing Allowance
MIHA	Move-In Housing Allowance
TLA	Temporary Lodging Allowance



- You may use your Government Travel Charge Card (GTCC) during your PCS to cover expenses that will be reimbursed by the government. Remember, your GTCC is for official travel-related expenses ONLY and misuse can subject you to administrative or disciplinary action. You will be responsible to pay any overages on the GTCC that are not covered by reimbursement, so it is important to develop an estimated cost of what is reimbursable.
- Advance pay is intended to enable a member to have sufficient money in hand to execute a PCS. With sufficient justification, you may request up to 3 months of Basic Pay. In some cases, allowances may also be paid.
Counselor: Since this is an advance, it MUST BE REPAID over the next 12 months unless your commanding officer authorizes a longer repayment term (up to 24 months).
- Consider weight limitations, since you must cover the cost of shipping items that exceed the DoD weight limits. Visit www.move.mil or your Travel Management Office for more information.

Counselor: The counsees may want to consider a yard sale or online marketplace to sell non-essential household items. This provides two benefits – making extra money AND lowering the shipping weight. Another option is to donate the items to charity.

- Prepare for the potential costs associated with transporting and/or storing your vehicles. The government only pays for the shipment of ONE vehicle to overseas duty assignments and usually only pays what it would cost to drive one personally owned vehicle from station to station in the U.S. There may be exceptions, so check with your command and your Travel Management Office regarding your specific situation.

Additional notes: _____



PCS CONSIDERATIONS (Before Your PCS)

- Log into MyNavy Portal (MNP) at <https://my.navy.mil>, using your CAC and CAC-enabled machine. Visit the MyPCS section for additional information, download a copy of the PCS Checklist and the MyPCS Mobile app to your mobile device.
- Visit usps.com to update your address and consider using Hold Mail and forwarding services. It's recommended that you do this 30 days in advance. Prepare for possible housing-related expenses such as cleaning, maintenance, long-term storage, insurance, and house hunting at your next duty station.
- Prepare for potential costs associated with taking pets to your next duty station. These costs may include immunizations required for overseas travel (quarantine, airline crates, etc.).
- Obtain passports and visas, if appropriate. There will be costs associated with passports and visas when transferring overseas, which may be reimbursed with command approval. More information on passport fees and processing times (normally four to six weeks after application) is available on the State Department website <https://travel.state.gov/content/travel/en/passports.html>.

Counselor: Note that passport rates vary based on whether the passport is new or being renewed. Passport applications for children under 16 require the presence of both parents, even if they are estranged.

Additional notes: _____



PCS CONSIDERATIONS (During Your PCS)

- Estimate travel costs for your PCS move using the "Estimated Travel Costs for a PCS" provided. Remember to keep all receipts so you can complete your travel claim immediately upon arrival. Also, any unreimbursed moving expenses may be eligible for a tax deduction. Be sure to consult with a tax professional.

Counselor: Remind counsees to budget an average of \$25 per 100 miles of driving for gas and maintenance. The government authorizes 350 miles of travel per day, so they will want to plan their number of overnight stays based on this distance. Multiply planned number of overnight stays by \$120 per night or more depending on the unique characteristics of their family. Estimate \$50 per person per day for meals.



PCS CONSIDERATIONS (After You Arrive)

- Prepare for possible expenses once you arrive such as security deposits, lodging, child care, and vehicle registration costs.
- Child care can be a big expense, so seek out potential resources to help reduce costs:
 - Military OneSource: <https://installations.militaryonesource.mil/>
 - Command sponsors in your new location
 - MilitaryChildCare.com, www.militarychildcare.com: A DoD-sponsored organization matching military families with providers that includes both child development centers on base and certified care homes. Visit Military OneSource and the Military Spouse Employment partnership website for spouses needing help seeking new employment: <https://msepjobs.militaryonesource.mil/msep/>.

Additional notes: _____



PERMANENT CHANGE OF STATION (PCS)

MY CHECKLIST

NAVY FINANCIAL READINESS

Moving often means adjusting to change and starting new routines. This is especially true for your finances and cash flow.

This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help you to prepare for the main financial considerations of a PCS and make sound financial decisions.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Estimated Travel Costs for a PCS



BASIC FINANCE

- Update your personal spending plan using the "Spending Plan Worksheet." A good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four steps financial experts suggest to get started.

Step 1: Understand your current situation.

In this step, it's important to understand what's REALLY going on with your money today. Start tracking all your income and spending for the next 30 days. How you do the tracking is up to you, but what's important is you do it.

Step 2: Know where your money should go.

Financial experts offer these general guidelines when budgeting your money:

- Try to save and/or invest 10% – 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas and maintenance to 15% – 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, and maintenance to your Basic Allowance for Housing or 25% of pretax pay.

Step 3: Create a plan.

Build a plan for setting aside money and putting limits on how much you'll spend each month per category.

- Prioritize your financial goals.
- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.



Step 4: Make adjustments.

Update your spending plan as your life changes. Monitor your plan until you have fully adjusted your finances to reflect your new situation.

- Identify changes in pay, expenses and taxes from your current duty station to your next duty station.
 - Budgeting to live on one income is a great way to reduce financial-related stress during a PCS. The second income, once re-established, can be used to save for goals and quality-of-life improvements. Using this strategy can reduce a long-term debt and reduce stress if there is a pay issue during the move.
 - Potential changes to income could include an increase or decrease in pay, to include: Cost of Living Allowance (COLA), Basic Allowance for Housing (BAH), Special and Incentive Pay, and spousal income. Visit www.defensetravel.dod.mil/site/allcalc.cfm to calculate expected changes to your pay.
 - Potential changes to your expenses at your next duty station may include an increase or decrease in: housing, transportation, insurance, child care, food, fuel and utilities. It's important to establish a spending plan so you can identify and adjust to these changes.
 - Note: Your tax liability could change depending on where you are relocated. Speak to a tax professional to discuss your specific situation.
- Notify your financial institutions and creditors of your upcoming move. Consider setting up automatic bill pay to avoid missed or late payments. Confirm all transactions have cleared your bank or credit union account, if you plan to switch financial institutions at your next duty station.
- Check each of your three major credit reports for free at www.annualcreditreport.com. Sailors can request free credit monitoring services from the nationwide credit reporting agencies: Equifax, Experian, and TransUnion. Review the "Understanding Credit" handout for more information.
- Develop a plan for managing and paying off your debt. Help is available at your Fleet and Family Support Center (FFSC) or at www.powerpay.org.
- Consider the pros and cons of changing state residency. The Military Spouses Residency Relief Act (MSRRA) gives the spouse of an active-duty Service member the option not to change state residency when relocating to a new state due to a PCS. Changing may not be the best option for a spouse because it may impact state income tax, personal property taxes, car registration, and voter registration.
- Under MSRRA, if your spouse plans to work in the new location and not change residency, they should file their IRS Form W4 with their employer.

Additional notes: _____



CONSUMER PROTECTIONS

- Review the "Military Consumer Protection" handout for additional information on identity theft, the Servicemembers Civil Relief Act (SCRA), and Military Lending Act (MLA).
- Protect yourself from misleading consumer practices and know basic procedures for handling a consumer complaint or dispute. Review the "Sources of Help for Military Consumers" handout.



MAJOR PURCHASES

- Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases related to your PCS. Review the "Major Purchases" and "5 Rules of Buying a House" handouts for more information.



PLANNING FOR THE FUTURE

- Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below.

L liabilities	Debt you would like to pay off, like a mortgage, auto loan or credit cards(s)	\$
I ncome to be replaced	Multiply targeted annual income amount by the number of years to replace	\$
F uneral and final expenses	The amount you would like to set aside for final expenses	\$
E ducation and other goals	The amount you want to set aside to fund education and other goals for family, friends or charitable organizations	\$
Total life insurance needed		\$\$\$\$

Then compare your life insurance needs with your current amount of coverage plus any assets and benefits available at death. If you find you need additional coverage, consider supplementing Servicemembers' Group Life Insurance (SGLI) with a commercial life insurance policy. Review the policy for any restrictions, such as a war clause. Common life insurance policies include:

- Term insurance — provides a stated amount of coverage over a specific period of time and is designed to provide a large amount of coverage for the least cost.
- Permanent insurance — provides coverage designed to last for your entire life and can build cash value.

There are several permanent life insurance options offered such as universal life, whole life, variable life and even variable universal life insurance. These policies may have a surrender period and be subject to fees and penalties if canceled during this time.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Speak with your installation's Finance Office and Travel Management Office for the most up-to-date information on travel pay and allowances specific to your situation.

Typical Travel Pay and Allowances:

Allowance	Purpose
Mileage reimbursement	Offset driving costs
Per diem	Cover hotel and meals
Dislocation allowance	Cover expenses not otherwise reimbursed

Other Allowances (Location Specific)

OHA	Overseas Housing Allowance
MIHA	Move-In Housing Allowance
TLA	Temporary Lodging Allowance



- You may use your Government Travel Charge Card (GTCC) during your PCS to cover expenses that will be reimbursed by the government. Remember, your GTCC is for official travel-related expenses ONLY and misuse can subject you to administrative or disciplinary action. You will be responsible to pay any overages on the GTCC that are not covered by reimbursement, so it is important to develop an estimated cost of what is reimbursable.
- Advance pay is intended to enable a member to have sufficient money in hand to execute a PCS. With sufficient justification, you may request up to 3 months of Basic Pay. In some cases, allowances may also be paid.
- Consider weight limitations, since you must cover the cost of shipping items that exceed the DoD weight limits. Visit www.move.mil or your Travel Management Office for more information.
- Prepare for the potential costs associated with transporting and/or storing your vehicles. The government only pays for the shipment of ONE vehicle to overseas duty assignments and usually only pays what it would cost to drive one personally owned vehicle from station to station in the U.S. There may be exceptions, so check with your command and your Travel Management Office regarding your specific situation.

Additional notes: _____

 **PCS CONSIDERATIONS (Before Your PCS)**

- Log into MyNavy Portal (MNP) at <https://my.navy.mil>, using your CAC and CAC-enabled machine. Visit the MyPCS section for additional information, download a copy of the PCS Checklist and the MyPCS Mobile app to your mobile device.
- Visit usps.com to update your address and consider using Hold Mail and forwarding services. It's recommended that you do this 30 days in advance. Prepare for possible housing-related expenses such as cleaning, maintenance, long-term storage, insurance, and house hunting at your next duty station.

- Prepare for potential costs associated with taking pets to your next duty station. These costs may include immunizations required for overseas travel (quarantine, airline crates, etc.).
- Obtain passports and visas, if appropriate. There will be costs associated with passports and visas when transferring overseas, which may be reimbursed with command approval. More information on passport fees and processing times (normally four to six weeks after application) is available on the State Department website <https://travel.state.gov/content/travel/en/passports.html>.

Additional notes: _____

PCS CONSIDERATIONS (During Your PCS)

- Estimate travel costs for your PCS move using the "Estimated Travel Costs for a PCS" provided. Remember to keep all receipts so you can complete your travel claim immediately upon arrival. Also, any unreimbursed moving expenses may be eligible for a tax deduction. Be sure to consult with a tax professional.

PCS CONSIDERATIONS (After You Arrive)

- Prepare for possible expenses once you arrive such as security deposits, lodging, child care, and vehicle registration costs.
- Child care can be a big expense, so seek out potential resources to help reduce costs:
 - Military OneSource: <https://installations.militaryonesource.mil/>
 - Command sponsors in your new location
 - MilitaryChildCare.com, www.militarychildcare.com: A DoD-sponsored organization matching military families with providers that includes both child development centers on base and certified care homes. Visit Military OneSource and the Military Spouse Employment partnership website for spouses needing help seeking new employment: <https://msepjobs.militaryonesource.mil/msep/>.

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature

Date

Signature

Date



Permanent Change of Station (PCS) Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Permanent Change of Station (PCS)* course is organized into five parts:

- 1. Introduction and Agenda**
 - Welcome
 - Facilitator Introduction
 - Review of Agenda

- 2. Financial Planning**
 - Spending Plan
 - Estimate Changes to Income
 - Estimate Changes to Expenses
 - Protect Your Credit
 - Manage Debt

- 3. PCS Considerations**
 - Before Your Move
 - ✓ Housing
 - ✓ Weight Limitations
 - ✓ SCRA
 - ✓ Vehicles
 - ✓ Pets and Passports
 - During Your Move
 - ✓ Estimate Travel Costs
 - ✓ Tax Deductions
 - After You Arrive
 - ✓ Expenses Once You Arrive
 - ✓ State Residency
 - ✓ Child Care
 - ✓ Spouse Employment

- 4. Allowances and Entitlements**
 - Travel Pay and Allowances
 - PCS Resources

- 5. Summary and Resources**

TOTAL: 60 minutes

II. LEARNING OBJECTIVES

Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

- 1. TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.

ELOs: Be able to calculate the differences in pay and benefits from previous duty station to current duty station. Be able to identify changes in expenses from previous duty station to current duty station. Update personal spending plan.
- 2. TLO:** Understand the fundamentals and management of debt and credit.

ELOs: Know how to check and resolve errors on a credit report. Understand strategies to raise a credit score. Know strategies for managing credit and debt. Know several resources for funding major life events that reduce the need for additional credit.
- 3. TLO:** Examine the impact of special pay and entitlements.



ELO: Understand typical costs and entitlements associated with a change in duty station.
- 4. TLO:** Know military consumer protection law fundamentals, including the Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA).

ELOs: Understand the components and protections for Service members under the SCRA and MLA. Know basic procedures for handling a consumer complaint or dispute associated with the SCRA or MLA. Understand how the basic protections afforded under the SCRA can protect finances.

III. CHAPTER PREPARATION

Sections labeled “**INSTRUCTOR NOTE:**” include additional information for instructor background, as well as activities that provide practical application of key learning points. Instructor notes contain an icon and appear in a shaded text box for easier recognition.

CONTENT ICONS — The following icons are used throughout the guide:

INSTRUCTOR NOTE:	Instructor Note (indicates additional information related to the content for the instructor)
	Checklist and Handout (indicates a Checklist or Handout is associated with the content)
	Learning Activity (indicates a learning activity)

INSTRUCTOR NOTE: Being prepared for training promotes organization, projects a positive image, and reduces stress.

Be prepared to discuss each Checklist and Handout in class. You should familiarize yourself with this content so you can effectively discuss each document during your presentation.

While this guide is written as a script, avoid reading it word-for-word. Familiarize yourself ahead of time so you feel comfortable covering the material in your own words.

Throughout the presentation, the Checklist or Handouts will be identified with an icon on the PowerPoint and an Instructor Note in this Instructor Guide.

Materials and Equipment:

- Projector/screen
- *Permanent Change of Station (PCS)* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils
- Course sign-in sheet
- Course evaluations

Forms and Handouts:

- *Permanent Change of Station (PCS)* Checklist
- *Spending Plan Worksheet* Handout
- *Understanding Credit* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout
- *Major Purchases* Handout
- *5 Rules of Buying a House* Handout
- *Estimated Travel Costs for a PCS* Handout

V. CONTENT



SLIDE 1



SLIDE 2

Introduction

Facilitator Introduction

Introduce yourself by providing:

Hello, my name is _____.

I am a _____.

(Describe your experience as a facilitator or with personal financial management.)

The information I'll provide over the next 60 minutes will help you better understand and prepare for a *Permanent Change of Station (PCS)* move.

Agenda



INSTRUCTOR NOTE: *Permanent Change of Station (PCS)* Counselor Checklist

Moving often means adjusting to change and starting new routines. This is especially true for your finances. This course will help you to optimize your resources and strategize ways to complete your upcoming move without breaking your budget.

Today we will discuss several topics to prepare you for this Permanent Change of Station or PCS:

- Financial Planning
- PCS Considerations
 - ✓ Before your move
 - ✓ In transit
 - ✓ After you arrive
- Allowances and Entitlements

I'll also point you to free resources that can help you take action on what we discuss.

We have a lot to cover today, so let's get started.



SLIDE 3

Financial Planning



ACTIVITY: Engage with the class participants to learn more about their previous moving experiences. Poll the class with the questions provided. Consider making a game out of this activity by uncovering who traveled the farthest or took the longest to reach their destination.

I want everyone to think back to the last time you moved, either as a civilian or as a Service member.

- How far did you move?
- How long did it take you?
- How much did moving cost you out of pocket?
- Thinking about your next move, how many of you have financial changes taking place? Things like a spouse changing jobs, needing to find a new day care, or you are thinking of buying a house?

Moving can be full of surprises, so let's talk about trying to plan for the unexpected.



SLIDE 4

Spending Plan



INSTRUCTOR NOTE: *Spending Plan Worksheet* Handout

A good place to start preparing for your PCS is by reviewing your spending plan or budget. It doesn't matter how you track your money, whether it's an app, spreadsheet, or an old-fashioned journal. What's important is that you do it. For those who haven't looked at your spending plan recently, I've included a *Spending Plan Worksheet* in your course Handouts to complete tonight. If you are married, this would be a great activity to complete with your spouse.

A good spending plan helps you manage your money, plan for financial goals, and prepare for emergencies. Let's do a quick overview of the spending plan process and then we will focus on specific changes that may apply to your move.

Here are four tips financial experts suggest to build your plan:

Step 1: Understand Your Current Situation

In this step, it's important to understand what's really going on with your money today. Start tracking all of your current cash inflows and outflows for the next 30 days to analyze where you are spending. Or calculate your past 30 days using credit card and bank account statements.

Take note of what expenses you will be leaving behind and try to estimate new expenses at your next duty station. We will dive into more details on how to estimate these changes in a few minutes.

Step 2: Know Where Your Money Should Go

Financial experts offer these general guidelines when budgeting your money:

- Save and/or invest 10 — 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas, and maintenance to 15 — 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, maintenance, etc., to the Basic Allowance for Housing (BAH) or 25% of pretax pay.

For those of you who plan to live off base, pay close attention to this guidance and try not to overspend on your next home.

Step 3: Create a Plan

Build a plan for setting aside money and putting limits on how much you'll spend each month on various things. Although it seems obvious, you should spend less than you earn. Try to prioritize your financial goals, whether they be saving and investing or paying down debt.

If you do not have an emergency fund, consider saving toward this goal. An emergency fund is money that's kept in a low-risk account, such as a savings account that you can access easily and without any penalties in case you have an emergency.

Most experts agree 3 – 6 months of expenses is a good target amount.

Paying bills while you're moving can be challenging. Consider putting recurring bills on automatic payment during this time. That way you won't miss a payment and potentially hurt your credit.

Step 4: Make Adjustments

Make sure to go back and update your spending plan as life changes. It's a good idea to monitor and make adjustments every month until you have fully adjusted your finances for your new location.



SLIDE 5

Estimate Changes to Income

Now let's take a closer look at some potential changes to income. For those who are single or have dependents, it's a good idea to live below your means during a PCS to help offset and adjust to income changes associated with your move.

Potential changes that could impact your monthly income could be:

- Basic Allowance for Housing (BAH)
- Overseas Housing Allowance (OHA)
- Cost of Living Allowance (COLA)
- Family Separation Allowance (FSA)
- Family Subsistence Supplemental Allowance (FSSA)
- Special and Incentive Pays
- Spousal Income

For those who are married, it's a good idea to plan to live on one income to reduce financial related stress during a PCS. The second income, once re-established, can be used to save for goals and improve your quality of life. Using this strategy can also reduce long-term debt obligations when additional income is interrupted during a move.

A great way to calculate changes to your pay is by visiting www.defensetravel.dod.mil/site/allcalc.cfm.

INSTRUCTOR NOTE: If time allows, bring up the website <https://www.defensetravel.dod.mil/site/allcalc.cfm> and demonstrate the estimator.



SLIDE 6

Estimate Changes to Expenses

Now let's take a few minutes to review some potential changes to your expenses. A few of the expenses mentioned on this list include housing, taxes, child care and insurance. It's best to research these changes now, so you won't be in for a surprise at your next duty station. Certain expenses like auto insurance and fuel prices at your new location can be fairly easy to research. Others like utilities, car registration fees, and grocery prices can be more difficult.

Here are two great resources that can help you determine the average cost of living in certain areas:

- Living Wage Resource — <https://livingwage.mit.edu/>
- Cost of Living Calculator — <https://www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx>

INSTRUCTOR NOTE: If internet access is available, consider pulling up the Cost of Living Calculator and compare a couple of PCS locations to demonstrate the difference in costs.

Before we move on, let's briefly talk about taxes. Everyone's situation is different. Some of you may see very little impact on your federal income taxes since your taxable pay may not differ much from your current location. Others may see changes primarily due to changes in spousal income.

For help with your personal tax situation, contact the Voluntary Income Tax Assistance (VITA) program for free assistance.



SLIDE 7

Protect Your Credit



INSTRUCTOR NOTE: *Understanding Credit and Sources of Help for Military Consumers* Handouts are available to cover credit reports, credit scores and tips on improving your credit.

Up next, let's talk about protecting your credit during a PCS.

Notify Financial Institutions

Notify your financial institutions and creditors of your upcoming move and provide them with your new mailing address if you know it.

Confirm all transactions have cleared your bank or credit union account if you plan to switch financial institutions at your next duty station.

Set Up Automatic Payments

Consider setting up automatic bill pay to avoid missed or late payments.

Check Your Credit

Check your three major credit reports for free at <https://annualcreditreport.com>. This is especially important if you plan to make a major purchase at your next duty station.

Update Your Address

Submit an address change through the United States Postal Service at usps.com as soon as you know the new address or a temporary one; you can also place your mail on hold until you have one. Be sure to inform all your creditors, financial institutions and utility companies of the new address directly. This can help avoid the most common credit issues caused by PCS... lost or missing mail.

Enroll in Free Credit Monitoring

Another benefit available for eligible Service members is free credit monitoring services from the nationwide credit reporting agencies, shown on the screen.

- **Equifax:** www.equifax.com/personal/credit-report-services
- **Experian:** www.experian.com/help
- **TransUnion:** www.transunion.com/credit-help



SLIDE 8

Manage Debt



INSTRUCTOR NOTE: *Major Purchases and 5 Rules for Buying a Home Handouts*

Now let's move on to debt. Whether you have a lot of debt, a little debt, or no debt at all, how you manage debt can have a profound impact on your finances and well-being.

So, if you are struggling with paying back loans or credit cards, a PCS can often compound the problem. Managing debt smartly boils down to two things: being careful with how much debt you take on in the first place, and then taking a deliberate approach to how you pay it off.

Debt Destroyer Strategies

If debt reduction is a goal for you, there are a few strategies that can help you do it efficiently.

- The **Debt Snowball**, is a debt repayment strategy that focuses on paying down your lowest balance, while making minimum payments on all other debt. Once you've paid off your lowest balance debt, concentrate additional resources to pay down the next lowest balance debt, until you become completely debt free.
- The **Debt Avalanche** works in a similar fashion, but instead of paying off the lowest balance debt, you concentrate on paying off the highest interest rate debt first, while making minimum payments on the rest. After the highest rate debt is paid off, turn your attention to the next highest rate debt.

Help with either strategy is available through the Personal Financial Managers at your Fleet and Family Support Center (FFSC), installation Family Support Center, or at www.powerpay.org.

Major Purchases



INSTRUCTOR NOTE: Review the *Major Purchases* Handout in class and call attention to the section about car buying and vehicle load debt multiplier graph. Remind students that a Car-Buying Strategies class is available for more information.

For those of you who are not focused on paying off debt, but instead are considering taking on new debt, here are some tips. If you are thinking about purchasing a new house or vehicle at your next duty station make sure the payment fits into your new budget.

You may want to consider attending a home-buying seminar or meet with a Personal Financial Manager. With Financial Planning out of the way, let's turn to PCS Considerations before you move.

PCS Considerations



ACTIVITY: If time permits and is appropriate, poll the class participants about where they are moving for their next assignment. If you are familiar with any of the locations, share a story about your experience.

When relocating, it's common for travel expenses to begin well before you depart. Let's discuss a few of these obligations.

Before Your Move



INSTRUCTOR NOTE: Refer students to *PCS* Counselee Checklist.

Let's begin with housing.

Housing

- **House Hunting** — You may receive house-hunting leave, but the Department of Defense (DoD) does not pay for the travel and lodging costs associated with that leave.
- **Moving out** — Move-out expenses may include selling costs, dismantling major appliances or play equipment, lawn maintenance, cleaning services, etc.



SLIDE 9



SLIDE 10

Weight Limitations

The DoD outlines household goods weight limitations. To check limits specific to your situation, visit <https://www.move.mil/>. You must pay for items shipped in excess of the DoD weight limitations, so it might be a good time for a garage sale or to sell unused items online. This can help you make a little extra money and lower your shipping weight. Another option is to donate the items to a charity.

Servicemembers Civil Relief Act

Review the Servicemembers Civil Relief Act (SCRA) to see if your PCS orders qualify you to break your lease contract on your home, vehicle, or cell phone.



INSTRUCTOR NOTE: *Military Consumer Protection Handout*

See your base legal office with specific questions unique to your situation.

Vehicles

Now let's talk **vehicles**. The government only pays for the shipment of ONE vehicle to overseas duty assignments and usually only pays what it would cost to drive one personally owned vehicle from station to station in the U.S. So, if you plan to transport multiple vehicles be prepared for those additional expenses.

For those storing their primary vehicle rather than moving it overseas, the government will pay storage fees up front. There may be exceptions, so learners should check with their command. Note that stored vehicles must remain stored for the duration of the orders authorizing storage.

For those with leased vehicles or if there is a loan, the leasing company or financial institution may not allow movement of the vehicle overseas. You should check with the leasing agent or financial institution before moving the vehicle. The base legal office can advise you about their rights under the Servicemembers Civil Relief Act (SCRA) we mentioned earlier.

Pets

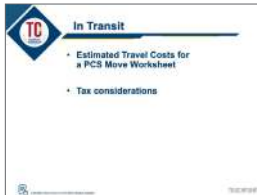
Pet owners, you may incur some costs with taking pets to your next duty station. These costs may include immunizations required for overseas travel (quarantine, airline crates, etc.) as appropriate.

Passports

Finally, for those moving overseas, be sure to obtain passports and visas when appropriate. There will be costs associated with passports and visas when transferring overseas. The cost for these may be reimbursed with command approval. More information on passport fees and processing times (normally four to six weeks after application) is available on the State Department website <https://travel.state.gov/content/travel/en/passports.html>.

Parents who have primary custody of a child who will be relocating overseas with the child may need to obtain consent of the other parent or the approval of the family court. Petitioning for such court approval can be a long process. Refer to your legal office for advice on how to ensure appropriate procedures have been followed.

One additional note on passports: passport applications for children under 16 require the presence of both parents, even if they are estranged.



SLIDE 11

In Transit

INSTRUCTOR NOTE: Distribute the *Estimated Travel Costs for a PCS Move Handout*. While most of these normal expenses may be reimbursed or may be covered by the GTCC, it's important that Service members keep all of their receipts. The Handout can be covered in class as an activity if time allows.

Estimated Travel Costs Worksheet

The Handout will help you plan and estimate costs associated with traveling to your next duty station. Driving costs, overnight accommodations and food are covered up to certain limitations.

Tax Considerations

It's important to keep all of your receipts related to your move. You may be eligible to deduct some of your unreimbursed PCS moving expenses from your federal income tax return. Most moving costs are covered by military allowances, but you'll want to save your receipts and log your expenses to calculate any possible deduction at the end of the tax year. Check out IRS Publication 521, Moving Expenses for examples and more details.



SLIDE 12

After You Arrive

Finally, let's review a few items to consider once you arrive at your new location.

Initial Expenses

The first is temporary lodging and food. You will need a place to stay until you find a place to live. It's a good idea to find a place with cooking appliances and a refrigerator to save money on food expenses while house hunting.

Also be aware of vehicle registration costs and procedures. With a few exceptions, states expect new residents to register their vehicles in that state. Double check the state's motor vehicle department to find out what the rules are at your new duty station and to find out about military-specific guidelines.

State Residency

The Military Spouses Residency Relief Act (MSRRA) gives the spouse of an active-duty Sailor the option not to change state residency when relocating to a new state due to a PCS. It is important to weigh pros and cons of changing state residency. Changing may not be the best option for a particular person or family because it may impact state income tax, personal property taxes, car registration, and voter registration.

Child Care

Child care resources can vary greatly by location. Research your options and plan for changes to your spending plan and child care routines.

Military OneSource's interactive Military Installations website and *MilitaryChildCare.com* are both good places to start your research.

Spouse Employment

Visit Military OneSource and the Military Spouse Employment partnership website for spouses needing help seeking new employment. The Fleet and Family Support Center's (FFSC) Family Employment Readiness Program (FERP) can also assist spouses with their employment search from job hunting to resume writing.



SLIDE 13

Allowances and Entitlements



ACTIVITY: Consider inviting a representative from the Finance Office to discuss the specifics of travel pay and allowances.

Next we will go over some of the basics on common allowances and entitlements. It's important to speak with your installation's Finance Office for the most up-to-date information on travel pay and allowances specific to your situation.

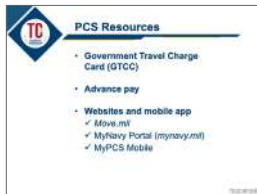


SLIDE 14

Travel Pay and Allowances

You may receive a number of travel pays and allowances as part of your PCS orders. These may include mileage reimbursement, per diem (to cover hotel and meals), and a dislocation allowance (monies to cover expenses not otherwise reimbursed). Other pays and allowances are specific to certain geographic areas, like Overseas Housing Allowance (OHA), Cost-of-Living Adjustment (COLA), and Move-In Housing Allowance (MIHA).

Based on geographic location, you may also be eligible for Temporary Lodging Expense (TLE) or Temporary Lodging Allowance (TLA). The installation Finance Office, and *Move.mil* will provide additional information and estimates for reimbursement.



SLIDE 15

PCS Resources

Government Travel Card

You may use your Government Travel Charge Card (GTCC) to cover expenses that will be reimbursed by the government. However, it is important to anticipate costs and develop an estimated cost for expenses. You are responsible to pay any overages on the GTCC that are not covered by reimbursement. Remember government travel cards are issued only for official travel-related expenses. Cardholders who misuse their DoD travel cards are subject to administrative or disciplinary action.

Advance Pay

Upon receipt of your orders, you may request an advance on pay and Basic Allowance for Housing (BAH), to help cover the extra expenses of relocation due to your PCS move. However, it is important to note that since this is an advance, it **MUST BE REPAYED** over the next 12 months unless your unit commander authorizes a longer repayment term.

Helpful Websites:

Move.mil, *www.defensetravel.dod.mil*, *www.saveandinvest.org* – search for Money and Mobility, MyNavy Portal, and MyPCS mobile. These are all terrific resources to help plan for a successful PCS.

INSTRUCTOR NOTE: The full website for the Money and Mobility document is <https://www.saveandinvest.org/sites/saveandinvest/files/Money-Mobility.pdf>.



SLIDE 16



SLIDE 17



SLIDE 18



SLIDE 19

Summary and Resources

Let's take the last couple of minutes we have together to review what we covered today.

Summary

We discussed the following topics. Do you have any questions on any of them?

- Financial Planning
- PCS Considerations: Before, during and after your move
- Allowances and Entitlements

Resources

Please read through your Checklist and Handouts and refer back to them. They are a great resource to help navigate the financial decisions you'll need to make.

You are not alone! You have many layers of support to help you learn more and make good financial decisions.

You can talk to your CFS at your unit or meet with a PFM and attend a class at your local installation service center. You can call Military OneSource or CG SUPRT for additional assistance. This is a great option for flexibility of scheduling since the call center has extended hours. You may also access the FINRED Sen\$e mobile app or the MyNavy Financial Literacy mobile app for assistance with a variety of personal finance issues.

Thank You

Thank you for participating, and I wish you the best at your next duty station.

CFS Preparation: Distribute and discuss the PCS checklist and accompanying handouts to support this video-based training course. Checklists and handouts can be found online at <https://finred.usalearning.gov/SPL/Training/NavyResource/TouchpointCurriculum>.

CFS Intro: Welcome to training. Today's conversation is on PCS, Permanent Change of Station. Whether it is your first PCS or your fifth, the process can be exciting, stressful, and financially concerning. The goal of today's discussion is to make sure you take the necessary steps to plan and prepare your finances for your move. The upcoming videos will provide insight on the financial planning aspects of a PCS.

Play Videos 1 & 2

Discussion Questions



1. PCS Overview



2. Planning for a PCS

1. In the last video you heard firsthand accounts of PCS moves to and from various locations. What are some key takeaways that you plan on implementing before, during, and after your next PCS?

CFS Talking Points: Begin budgeting and saving for expected expenses as well as the unexpected ones long before your actual move date. Automate bill payments so there are no worries about missed payments. Keep proper documentation and file your travel claim paperwork as soon as possible. Remember relocation can be stressful on you and your family members. Keep calm and maintain a positive perspective, such as the “adventure” example described in the last video. These gestures can go a long way in ensuring your family makes proper adjustments to the changes in location, culture and schedule.

2. What are ways you can stay organized and in control of your finances as you prepare and execute your move? When it comes to saving and budgeting for your move, what are likely expenses that you will incur?

CFS Talking Points:

Create a PCS binder so all things associated with your move can be stored in one location. Communicate with your spouse and family members to make sure expectations are set and you are all on the same page going forward. Think about expenses in three separate categories:

- A. **Before you move:** When you are checking out of your current location — move out fees to include cleaning or damage, partial rent payments, mortgage payments until your home is sold or rented, last payments on utilities if renting (keep receipts when closing out accounts), continued utilities if you own your home, canceling cable, cellphones (will SCRA apply?), security system, additional dining out if your cookware is all packed, bucket list items of things you want to do prior to leaving your current location, veterinary expenses especially if moving overseas, additional vehicle gas if the check-out process is extensive, vehicle maintenance/repairs in preparation for the drive, additional lodging costs if staying in temporary lodging for an extended period of time, replacement of gear prior to checking out.

- B. During the move: Gasoline for car(s), food, additional lodging, excess baggage fees, (are you and your family traveling separately?), pet travel fees
- C. After your move: Rental deposits, utility deposits, replacing household items, restocking the pantry, additional food costs until your household shipment arrives, appropriate clothing for the weather at your new location (island life to frozen tundra), auto insurance changes for new state, rental insurance updates, startup tuition for child care/private school, school supplies and fees, pet quarantine (overseas)

CFS Note: Have audience write out a personal list and ask for participation as these expenses can be unique to the individual as examples listed above are not all-inclusive.

Knowledge Check

Question: Who should you talk to for moving entitlement clarification?

Answer: Installation Finance Office

You can also visit your installation's Family Center to discuss relocation expectations with a PFM or Relocation Specialist.

PART 2: Before PCS

CFS Intro: As we have discussed, there are a lot of different ways that you can plan for your move so that your PCS does not disrupt your financial plans and the progress you have made. Let's see a further breakdown of possible scenarios and expenses. Be sure to take note of specific costs you anticipate you or your family incurring, and use resources like the "Plan My Move" checklist from Military OneSource.

Play Videos 3, 4, 5 & 6

Discussion Questions

1. Were any housing-specific costs mentioned and explained in the videos that surprised you?

CFS Note: As presented in the video, go through the 5 major housing expenses and encourage conversation. Create a list of answers on white-board/chart paper.

CFS Talking Points:

- A. Cleaning, maintenance, and disassembling
- B. Breaking a rental contract or lease
- C. Excess shipping or storing costs
- D. Insurance
- E. House hunting

2. Let's review the common vehicle expenses associated with PCS. What specific expenses are you going to have prior, during, or after your PCS?



3. Financial Planning



4. Housing Expenses

CFS Talking Points:



5. Vehicle Expenses

- A. Number of vehicles — Do you have a second vehicle that the costs of transporting will not be funded or reimbursed?
- B. Insurance — Now is a good time to contact your insurance company.
- C. Maintenance — Whether you plan on driving, shipping, or storing your vehicle, make sure your regularly scheduled maintenance is taken care of.
- D. Vehicles stay behind? Will you have transportation? How will it be paid? Where will your vehicles stay? Will you be leaving your car with family or friends? What implications can this have? How will you insure your car is taken care of?
- E. Leases — Are you able to break the lease with SCRA?



6. Miscellaneous Expenses

OCONUS considerations:

- Purchasing maintenance-related parts
- Storage
- Lease/financed vehicle
- Rental insurance may need to be obtained before leaving US address

- 3. As we all know, miscellaneous expenses, both large and small add up. It's important to be prepared so that you are not caught off guard. Having been through a PCS before, I want to discuss and get your feedback on estimates of a few costs that you may incur:

CFS Note: Be prepared to discuss current costs; share resources from www.bestplaces.net or www.bankrate.com for Cost of Living in different locations.

CFS Talking Points: Who here has a favorite local restaurant? Are you planning to eat there for a week straight before you leave? What about pets? Do your pets need a visit to your neighborhood vet before you depart? For those going overseas — do you and all your family members have a valid passport? Do the kids need another round of shots before moving? It may take some time to get settled and checked in and assigned a PCM at your new duty location so in order to avoid stress and additional costs make sure you and your family have enough prescription medication to cover the potential gap.

Knowledge Check

Question: Whom should you contact if you have questions about shipping allowance or entitlements for storage?

Answer: Travel Management Office

Play Videos 7, 8 & 9



7. Recap:
Expenses Before
a PCS Move



8. During PCS:
Food & Misc.
Expenses



9. Recap:
Expenses
During PCS

Discussion Question

How will you keep track of your PCS receipts? How will you tally the total cost?

CFS Talking Points:

- Use your PCS binder as the one location to keep all documents. Separate your receipts for gas and maintenance, lodging, food and miscellaneous expenses in different envelopes to make them easier to locate when you do your travel claim. Take pictures of your receipts.
- For further documentation of costs, have a notebook to jot down all expenses; use the notes section of your phone to tally costs especially if you are using your debit or credit card to pay these costs up front.
- Notify your bank that you are traveling to avoid having your accounts put on hold for suspicious activity. Continually check your accounts while traveling to verify purchases.

CFS Intro: You've made it! You have arrived! Now it's time to get settled at your new location. The next video will discuss costs that may occur after you arrive.

Play Video 10



10. After PCS:
Housing

Discussion Questions

1. In addition to your security deposit and possibly first month's rent, what expenses do you think you will have when moving into your new home?

CFS Talking Points: Pantry and grocery items, curtains to fit windows if they are a different size than your last home, cleaning supplies (mop, broom, scrub brush), toilet paper, paper towels, laundry items, candles, air fresheners, home decor (front door mat, rugs, couch pillows, bed pillows, etc.)

2. What ways can you save on utility deposits?

CFS Talking Points: Call ahead as utility companies may waive fees for Service members, or accept letters of reference from the previous provider. Check with your bank or credit union to see if they participate in a utility deposit program.

3. You may be surprised that moving to a new location may require you to update your vehicle registration and insurance. What ways can you prepare to make sure you have the appropriate documents and have funds set aside to cover these expenses?

CFS Talking Points: Visit state's DMV site; call ahead to the local DMW if required to update registration; contact your insurance provider for information and quote; if not satisfied with current insurance or premium contact other insurance companies for quotes — be sure your new policy is in place before canceling your old one.

Knowledge Check

Question: What Act may allow you to terminate your cellphone plan based on your orders?

Answer: SCRA — Servicemember Credit Relief Act

PART 5

CFS Intro: We will now go over some best practices, resources, and then recap.

Play Videos 11, 12 & 13



11. PCS Best Practices



12. Money Tips



13. PCS Resources

Discussion Questions

CFS Talking Points: These tips are helpful to consider. Act on those that are appropriate for your situation. Are there any best practices that you had not considered prior to today's training?

CFS Note: Encourage conversation drawing on experiences and curiosity of students.

Knowledge Check

Question: If choosing to take a Pay Advance, what is the standard repayment time?

Answer: 12 months

Play Video 14



14. Recap Resources

Discussion Questions

We have completed today's training and want to hear feedback. How has this better prepared you for your upcoming PCS?

CFS Talking Points: Based on the information provided, what will you do differently in your preparation for this PCS? Will you allocate more money to savings to aid in your transfer? Remember to break the process down into three separate sections: before PCS, during PCS, and after PCS. This will help you stay organized, focused and on track with your spending.

CFS Notes: Allow time for questions.



Permanent Change of Station (PCS) Presentation





1

Agenda

- Financial Planning
- PCS Considerations
 - ✓ Before Your Move
 - ✓ In Transit
 - ✓ After You Arrive
- Allowances and Entitlements
- Resources

 Permanent Change of Station (PCS) Counselor Checklist Available

TOUCHPOINT

2



TC
TOUCHPOINT
CURRICULUM

Financial Planning

TOUCHPOINT

3

Create / Manage a Spending Plan

STEP 1: Understand your current situation

- Set goals
- Track inflows and outflows

STEP 2: Know where your money should go

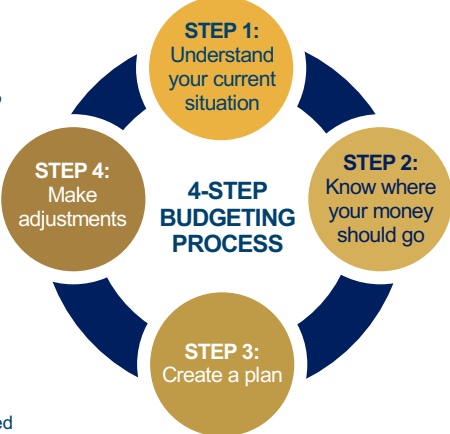
- Save and/or invest 10% – 15%*
- Transportation less than 15% – 20%*
- Limit BAH to 25% or less*

Step 3: Create a plan

- Pay yourself first
- Automate saving and bill paying
- Strive to save 3 – 6 months of expenses for emergencies

STEP 4: Make adjustments

- Make family budgeting a team sport
- Replenish emergency funds as needed
- Review frequently




**4-STEP
BUDGETING
PROCESS**

STEP 1: Understand your current situation

STEP 2: Know where your money should go

STEP 3: Create a plan

STEP 4: Make adjustments

 Spending Plan Worksheet Handout Available

* Pretax income

TOUCHPOINT

4



Estimate Changes to Income

- **Basic Allowance for Housing (BAH)**
- **Overseas Housing Allowance (OHA)**
- **Cost of Living Allowance (COLA)**
- **Family Separation Allowance (FSA)**
- **Family Subsistence Supplemental Allowance (FSSA)**
- **Special and Incentive Pays**
- **Spousal Income**

www.defensetravel.dod.mil/site/allcalc.cfm

TOUCHPOINT

5




Estimate Changes to Expenses

- **Housing**
- **Child care**
- **Transportation costs**
- **Groceries**
- **Utilities**
- **Additional household items**
- **Home and auto insurance**
- **Income taxes**

TOUCHPOINT


6



Protect Your Credit


- Notify financial institutions
- Set up automatic payments
- Check your credit
- Update your address
- Enroll in free credit monitoring

EQUIFAX **experian** **TransUnion** ^{tu}

 Understanding Credit Handout Available

TOUCHPOINT

7



Manage Debt

- **Debt Destroyer strategies**
 - ✓ Snowball
 - ✓ Avalanche
- **Major purchases**
 - ✓ Housing
 - ✓ Vehicles

 Major Purchases and 5 Rules for Buying a Home Handouts Available

TOUCHPOINT

8

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CURRICULUM

PCS Considerations

TOUCHPOINT

9


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CURRICULUM

Before Your Move

- **Housing**
 - ✓ House hunting
 - ✓ Moving out
- **Weight limitations**
- **Servicemembers Civil Relief Act (SCRA)**
- **Vehicles**
- **Pets**
- **Passports**


TOUCHPOINT

10



In Transit

- **Estimated Travel Costs for a PCS Move Worksheet**
- **Tax considerations**



Estimated Travel Costs for a PCS Move Handout Available

TOUCHPOINT

11



After You Arrive

- **Initial expenses**
- **State residency**
- **Child care**
- **Spouse employment**

TOUCHPOINT

12



Allowances and Entitlements



TOUCHPOINT

13



Travel Pay and Allowances

Allowance	Purpose
Mileage reimbursement	Offset driving costs
Per diem	Cover hotel and meals
Dislocation allowance	Cover expenses not otherwise reimbursed


Other Pay and Allowances (Location Specific)

OHA	Overseas Housing Allowance
MIHA	Move-in Housing Allowance
TLA	Temporary Lodging Allowance



TOUCHPOINT

14



PCS Resources

- **Government Travel Charge Card (GTCC)**
- **Advance pay**
- **Websites and mobile app**
 - ✓ *Move.mil*
 - ✓ MyNavy Portal (*mynavy.mil*)
 - ✓ MyPCS Mobile

TOUCHPOINT


15



Summary and Resources

TOUCHPOINT

16



Summary

Congratulations on your upcoming move to your next duty station!


Along with new adventure opportunities, a Permanent Change of Station can add many additional expenses. Preparation and planning can help alleviate the stress of spending more than you can afford.

Let's wrap all the topics we talked about today:



- ✓ Financial Planning
- ✓ PCS Considerations
 - Before Your Move
 - In Transit
 - After You Arrive
- ✓ Allowances and Entitlements
- ✓ PCS Resources

TOUCHPOINT

17




Resources

- **Checklist and Handouts**
- **Financial Education and Support**
 - ✓ Command Financial Specialists (CFS)
 - ✓ Personal Financial Managers (PFM)
 - ✓ Installation Family Support Center or Health, Safety, Work-Life (HSWL) Regional Practice
 - ✓ Relief Societies
 - ✓ Military OneSource or CG SUPRT
- **Financial Literacy Mobile Apps**
 - ✓ MyNavy Financial Literacy 
 - ✓ Sen\$e 

TOUCHPOINT

18



TC
TOUCHPOINT
CURRICULUM

Thank You!

The appearance of U.S. Department of Defense (DoD) visual information does not imply or constitute DoD endorsement.

TOUCHPOINT



- Student Manual
- Counselor (PFM/CFS) Checklist
- Counselee Checklist
- Instructor Guide
- Video Discussion Guide
- PowerPoint Slides

TC 5

Vesting in the Thrift Savings Plan (TSP)





Vesting in the Thrift Savings Plan (TSP)

Student Manual



I. INTRODUCTION

The Blended Retirement System (BRS) is a modernized retirement plan that went into effect for all Service members on January 1, 2018. Components of the BRS include a defined contribution (consisting of government automatic and matching contributions to a Service member's TSP contribution), a mid-career incentive called Continuation Pay, a defined benefit (also known as a pension) after at least 20 years of service, and a lump-sum option at retirement.

As a CFS, if you are talking to a Service member about vesting in the TSP, it means they have completed or are nearing two years of service. This anniversary marks an important milestone in their career. This is your opportunity to make sure they understand the Blended Retirement System and the Thrift Savings Plan so they can take advantage of matching contributions. These financial decisions will make a big difference in their retirement nest egg. This is how you make millionaires!

II. LEARNING OBJECTIVES

Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

- TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
ELOs: Understand the components of Blended Retirement System. Understand the Thrift Savings Plan. Understand what vesting means.
- TLO:** Understand and be able to manage a Thrift Savings Plan (TSP) account.
ELOs: Know how to manage and update TSP account. Be able to update beneficiaries for TSP. Be able to review TSP contributions and weigh against additional financial considerations.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.gov>
- Thrift Savings Plan (TSP) — <https://www.tsp.gov>
- Blended Retirement System (BRS) — <https://militarypay.defense.gov/blendedretirement>
- U.S. Securities and Exchange Commission (SEC) — <https://www.investor.gov>
- Defense Finance and Accounting Service (DFAS) — <https://www.dfas.mil>
- Internal Revenue Service (IRS) — <https://www.irs.gov>
- myPay — <https://mypay.dfas.mil>
- milConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- CNIC Touchpoint Curriculum — https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html

IV. ACRONYMS AND ABBREVIATIONS

Acronym/Abbreviation	Full Name	Definition
LES	Leave and Earnings Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
BRS	Blended Retirement System	The Blended Retirement System is a modernized retirement plan for the Uniformed Services.
TSP	Thrift Savings Plan	The Thrift Savings Plan is a retirement savings and investment plan for federal employees and members of the Uniformed Services, including the Ready Reserve.

V. TOUCHPOINT TOOLBOX: MATERIALS AND RESOURCES TO TEACH TOPIC

All materials are available on PFM milSuite, CNIC and FINRED websites (listed above), and DVD. Links to curriculum may change or vary locally.

Delivering the right financial training at the right time helps ensure that Service members understand the financial implications, considerations, and decisions that need to be made at each Touchpoint. The tools listed below teach the same story but let you, the CFS, tell it different ways, depending on your audience, your time allotted, or your particular teaching style. They can be mixed and matched to provide the best learning experience.

REMEMBER: Every Counselee should receive a signed, dated copy of the Counselee Checklist to verify training completion and, most importantly, to ensure they have a reference to help them navigate the financial decisions required at each Touchpoint.

1. One-on-One Counseling Checklists and Handouts (Service Specific)

- *Vesting in the Thrift Savings Plan* CFS/PFM Checklist
- *Vesting in the Thrift Savings Plan* Counselee Checklist

Handouts:

- *Military Retirement* Handout
- *Thrift Savings Plan* Handout
- *Basic Investing* Handout
- Optional Discussion not included in PowerPoint: *Spending Plan Worksheet* Handout

2. Classroom Training Materials (Service Specific)

All materials available on disc, or PFM milSuite and CNIC websites. Links to curriculum may change or vary locally.

- *Vesting in the Thrift Savings Plan* Touchpoint Checklists and Handouts
- *Vesting in the Thrift Savings Plan* PowerPoint (PPT) Training slides and Instructor Guide (IG)
- *Vesting in the Thrift Savings Plan* Videos and Video Discussion Guides (VDG)

3. Online Training

- *Vesting in the Thrift Savings Plan* course (Navy e-Learning, My Navy Portal or your service-specific e-Learning site)

VI. ADDITIONAL LEARNING AND ACTIVITIES

Here are some additional ideas for conversations and activities to have with your audience:

- Complete the *Spending Plan Worksheet* Handout. Show students how small adjustments in living expenses can allow them to build adequate savings and invest for their future.
- Show students how to change their contribution allocations in TSP and how to adjust their contribution elections
- Show the power of compounding interest with a FINRED or TSP financial calculator
- Use the *Military Retirement* Handout or calculators listed in resources to demonstrate what a Service member can expect if he/she retires

Encourage Service members to attend PFM Standard Curriculum courses at the local installation family service center to learn more about financial considerations for this Touchpoint.

- Developing Your Spending Plan
- Planning for Your Retirement
- Saving and Investing
- The Thrift Savings Plan



VESTING IN THE THRIFT SAVINGS PLAN

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

HANDOUTS

- ✓ Basic Investing
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Spending Plan Worksheet

Congratulations on completing two years of service in the Navy! This anniversary marks an important milestone in your military career and Thrift Savings Plan (TSP). Under the Blended Retirement System (BRS), eligible Sailors who complete two years of service become vested in the TSP.

***Counselor:** Use this checklist and accompanying handouts as a solution-focused tool to help Sailors in a classroom setting or counseling session to set goals, establish priorities, and develop a plan of action. Space is provided to add local resources and reminders about additional topics. If you need additional information and referrals, contact your local Fleet and Family Support Center (FFSC) staff.*



VESTING AND THE BLENDED RETIREMENT SYSTEM (BRS)

***Counselor:** Help counselees comprehend components of the Blended Retirement System and the importance of preparing for retirement.*

Understand what vesting means.

- Vesting in the Thrift Savings Plan (TSP) means you have met the service requirement that entitles you to keep automatic and matching contributions. When you separate or retire from the Navy, you can keep the money the military has added or "matched" to your TSP account. It's important to note, you are always vested in your own contributions and earnings.
- There are two different scenarios when vesting begins based on when you joined the military:
 - 1) If you were serving as of December 31, 2017, and opted into the BRS, then you became eligible for an automatic contribution of 1% and matching contributions up to 4% of basic pay in your TSP. You are already vested in service matching contributions but are required to complete two years of service to vest in the automatic 1% contributions.
 - 2) If you joined the service on or after January 1, 2018, then you are automatically enrolled in BRS. You will begin receiving an automatic 1% government contribution 60 days after entering service and will begin receiving matching contributions up to 4% of basic pay after completing two years of service. You will become vested in both automatic and matching contributions after completing two years of service.

***Counselor:** Inform counselees that under the Blended Retirement System, they are always vested in their own contributions and the earnings. Upon separation or retirement from service, the TSP account is portable. They can either leave it with the TSP or move it to another qualifying government (civilian TSP) or private-sector retirement account, like a 401(k). Also, civilian service does not count toward vesting in the uniformed service TSP account.*



- Understand the importance of preparing for retirement. Review the "Basic Investing" handout.

Counselor: Remind counsees that although retirement may seem to be a long way off, choices they make now, such as contributing to their TSP accounts, can give them a significant advantage when they do retire.

- Understand the components of the Blended Retirement System. Review the "Military Retirement" handout.
 - The Blended Retirement System (BRS) is a modernized retirement plan that went into effect for all new Service members on January 1, 2018.
 - Components of the BRS include a defined contribution (consisting of government automatic and matching contributions to a Service member's TSP), a defined benefit (also known as a pension) after at least 20 years of service, a midcareer incentive called Continuation Pay, and a lump-sum option at retirement.

Defined Contribution Thrift Savings Plan (TSP)			
You Contribute	DoD Automatic Contribution (Traditional)	DoD Matching Contribution (Traditional)	Total
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%



UNDERSTANDING THE TSP

- Understand the Thrift Savings Plan. Review the "Thrift Savings Plan" handout.
 - The Thrift Savings Plan (TSP) is a retirement saving plan open to federal employees and members of the uniformed services. Similar to a civilian 401(k), the TSP offers the opportunity for Sailors to save and invest for retirement.
 - Under the BRS, you may receive up to 4% in Service Matching Contributions, on top of the Service Automatic 1% Contribution into your defined contribution plan or TSP account. Note: The automatic and matching contributions are deposited into the traditional TSP.
 - Automatic and matching contributions continue through the end of the pay period until you reach 26 years of service.

- Evaluate your retirement goals and visit [TSP.gov](https://www.tsp.gov) to learn about annual contribution limits* and investment choices.

**The elective deferral limit is \$19,500 in 2020 for those under the age of 50. Limits may be higher in certain situations.*

Counselor: Inform the counsees the elective deferral limit of \$19,500 (2020) applies to the combined total of Traditional and Roth contributions. The annual addition limit is \$57,000 (2020). This limit is per employer and includes employee contributions (tax deferred, after tax, and tax exempt), agency/service*

automatic 1% contributions, and matching contributions. The catch-up contribution limit is \$6,500 (2020) for participants age 50 and older. Encourage counsees to contribute at least 5% to take advantage of the full government match.

- Use the "Spending Plan Worksheet" to analyze your spending plan. When creating your spending plan, consider budgeting at least 5% of basic pay to contribute to your TSP. By contributing 5% out of your pocket, you take full advantage of government matching contributions to boost your retirement savings to 10% of your basic pay.

Counselor: Remind the counsees to pay themselves first when developing their spending plan. When appropriate, explain the benefits of contributing more to their TSP accounts, such as compound earnings and possible tax benefits.

- Decide between Traditional or Roth contributions in your TSP account.

Counselor: Inform the counsees they can select pretax (Traditional) contributions if they want to lower current taxes and defer them until retirement. Alternatively, they can elect after-tax (Roth) contributions if they prefer to pay taxes on their voluntary contributions now and avoid taxes on the qualified withdrawals in the future. They can change what type of investments to elect for their future contributions by logging into their myPay accounts. For more information, they can talk to a Personal Financial Counselor and Educator (PFC/E) at their installation.

- Review the investment fund options listed on the "Thrift Savings Plan" handout to determine which fund(s) work for your objectives, risk tolerance and time horizon.

Counselor: Inform counsees the TSP has several funds they can choose to invest in. By default, TSP contributions are invested in a Lifecycle (L) fund, which lines up with the Service member's age. See [TSP.gov](https://www.tsp.gov) for more information.



MANAGING YOUR TSP

- Visit myPay at mypaydfas.mil to start, stop or change the contribution amounts to your TSP. Verify and update your address in myPay as well, if applicable.

Counselor: TSP uses the address in myPay to send account information, so it is important this address is current and updated periodically.

- Log onto your TSP account at TSP.gov to manage your current and future investment choices.
Note: You will need your account number to log onto the website. If you have misplaced or lost your account number, visit tsp.gov/tsp/forgottenAccount.html to request the account number be mailed to you. Verify your address in myPay first and pay attention to the effective date.

- Review and update beneficiaries for your TSP account, if applicable.

Counselor: Refer counsees to the TSP.gov website to complete Form TSP-3 Designation of Beneficiary to update beneficiaries.

- Update contact information for your TSP account, if applicable.

Notes: _____



VESTING IN THE THRIFT SAVINGS PLAN

MY CHECKLIST

NAVY FINANCIAL READINESS

HANDOUTS

- ✓ Basic Investing
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Spending Plan Worksheet

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VESTING AND THE BLENDED RETIREMENT SYSTEM (BRS)

- Understand what vesting means.
 - Vesting in the Thrift Savings Plan (TSP) means you have met the service requirement that entitles you to keep automatic and matching contributions. When you separate or retire from the Navy, you can keep the money the military has added or "matched" to your TSP account. It's important to note, you are always vested in your own contributions and earnings.
 - There are two different scenarios when vesting begins based on when you joined the military:
 - 1) If you were serving as of December 31, 2017, and opted into the BRS, then you became eligible for an automatic contribution of 1% and matching contributions up to 4% of basic pay in your TSP. You are already vested in service matching contributions but are required to complete two years of service to vest in the automatic 1% contributions.
 - 2) If you joined the service on or after January 1, 2018, then you are automatically enrolled in BRS. You will begin receiving an automatic 1% government contribution 60 days after entering service and will begin receiving matching contributions up to 4% of basic pay after completing two years of service. You will become vested in both automatic and matching contributions after completing two years of service.
- Understand the importance of preparing for retirement. Review the "Basic Investing" handout.
- Understand the components of the Blended Retirement System. Review the "Military Retirement" handout.
 - The Blended Retirement System (BRS) is a modernized retirement plan that went into effect for all new Service members on January 1, 2018.
 - Components of the BRS include a defined contribution (consisting of government automatic and matching contributions to a Service member's TSP), a defined benefit (also known as a pension) after at least 20 years of service, a midcareer incentive called Continuation Pay, and a lump-sum option at retirement.



Defined Contribution Thrift Savings Plan (TSP)

You Contribute	DoD Automatic Contribution (Traditional)	DoD Matching Contribution (Traditional)	Total
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%



UNDERSTANDING THE TSP

- Understand the Thrift Savings Plan. Review the "Thrift Savings Plan" handout.
 - The Thrift Savings Plan (TSP) is a retirement saving plan open to federal employees and members of the uniformed services. Similar to a civilian 401(k), the TSP offers the opportunity for Sailors to save and invest for retirement.
 - Under the BRS, you may receive up to 4% in Service Matching Contributions, on top of the Service Automatic 1% Contribution into your defined contribution plan or TSP account. Note: The automatic and matching contributions are deposited into the traditional TSP.
 - Automatic and matching contributions continue through the end of the pay period until you reach 26 years of service.
- Evaluate your retirement goals and visit [TSP.gov](https://www.tsp.gov) to learn about annual contribution limits* and investment choices.

**The elective deferral limit is \$19,500 in 2020 for those under the age of 50. Limits may be higher in certain situations.*
- Use the "Spending Plan Worksheet" to analyze your spending plan. When creating your spending plan, consider budgeting at least 5% of basic pay to contribute to your TSP. By contributing 5% out of your pocket, you take full advantage of government matching contributions to boost your retirement savings to 10% of your basic pay.
- Decide between Traditional or Roth contributions in your TSP account.
- Review the investment fund options listed on the "Thrift Savings Plan" handout to determine which fund(s) work for your objectives, risk tolerance and time horizon.

Additional notes: _____



MANAGING YOUR TSP

- Visit myPay at mypaydfas.mil to start, stop or change the contribution amounts to your TSP. Verify and update your address in myPay as well, if applicable.

- Log onto your TSP account at [TSP.gov](https://www.tsp.gov) to manage your current and future investment choices.

Note: You will need your account number to log onto the website. If you have misplaced or lost your account number, visit [tsp.gov/tsp/forgottenAccount.html](https://www.tsp.gov/tsp/forgottenAccount.html) to request the account number be mailed to you. Verify your address in myPay first and pay attention to the effective date.

- Review and update beneficiaries for your TSP account, if applicable.
- Update contact information for your TSP account, if applicable.

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature *Date*

Signature *Date*



Vesting in the Thrift Savings Plan (TSP)

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Vesting in the Thrift Savings Plan* course is organized into six parts:

- 1. Introduction and Agenda**
 - Welcome
 - Facilitator Introduction
 - Review of Agenda

- 2. Vesting in the TSP**
 - What Does Vesting Mean?
 - When Am I Vested?

- 3. Why Save for Retirement?**
 - Reasons to Save
 - Time = Money (Saving for Retirement Example)

- 4. Blended Retirement System Overview**
 - The Four Components of BRS
 - ✓ Defined contribution (TSP)
 - ✓ Continuation Pay
 - ✓ Defined benefit (Pension)
 - ✓ Lump Sum Option

- 5. Understanding the TSP**
 - What is the Thrift Savings Plan? (TSP)
 - TSP Benefits and Contribution Limits
 - TSP Investment Funds
 - Evaluate Your Retirement Goals
 - Differences Between Roth and Traditional
 - Access and Manage TSP

- 6. Summary and Resources**

TOTAL: 60 minutes

Be sure to cover the Checklists and Handouts as indicated by the icons throughout the presentation.

II. LEARNING OBJECTIVES



Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

- TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
ELOs: Understand the components of Blended Retirement System. Understand the Thrift Savings Plan. Understand what vesting means.
- TLO:** Understand and be able to manage a Thrift Savings Plan (TSP) account.
ELOs: Know how to manage and update TSP account. Be able to update beneficiaries for TSP. Be able to review TSP contributions and weigh against additional financial considerations.

III. CHAPTER PREPARATION

Sections labeled “**INSTRUCTOR NOTE:**” include additional information for instructor background, as well as activities that provide practical application of key learning points. Instructor notes contain an icon and appear in a shaded text box for easier recognition.

CONTENT ICONS — The following icons are used throughout the guide:

<p>INSTRUCTOR NOTE:</p>  	<p>Instructor Note (indicates additional information related to the content for the instructor)</p> <p>Checklist and Handout (indicates a Checklist or Handout is associated with the content)</p> <p>Learning Activity (indicates a learning activity)</p>
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INSTRUCTOR NOTE: Being prepared for training promotes organization, projects a positive image, and reduces stress.

Be prepared to discuss each Checklist and Handout in class. You should familiarize yourself with this content so you can effectively discuss each document during your presentation.

While this guide is written as a script, avoid reading it word-for-word. Familiarize yourself ahead of time so you feel comfortable covering the material in your own words.

Throughout the presentation, the Checklist or Handouts will be identified with an icon on the PowerPoint and an Instructor Note in this Instructor Guide.

Materials and Equipment:

- Projector/screen
- *Vesting in the Thrift Savings Plan (TSP)* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils
- Course sign-in sheet
- Course evaluations

Forms and Handouts:

- *Vesting in the TSP* Checklist
- *Military Retirement* Handout
- *Thrift Savings Plan* Handout
- *Basic Investing* Handout
- *Spending Plan Worksheet* Handout

IV. CONTENT



SLIDE 1



SLIDE 2



SLIDE 3

Introduction

Facilitator Introduction

Introduce yourself by providing:

Hello, my name is _____.

I am a _____.

(Describe your experience as a facilitator or with personal financial management.)

The information I'll provide over the next 60 minutes will help you better understand *Vesting in the Thrift Savings Plan (TSP)*, so let's get started!

Agenda



INSTRUCTOR NOTE: *Vesting in the Thrift Savings Plan* Counselor Checklist

To help you understand the content in this presentation, we will use the *Vesting in the Thrift Savings Plan* Counselor Checklist to explore:

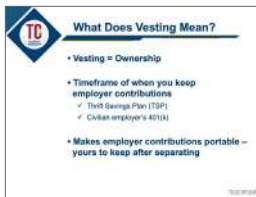
- Vesting in the TSP
- Why save for retirement?
- Blended Retirement System (BRS) overview
- Understanding the TSP

I'll also point you to free resources that can help you take action on what we discuss.

What Does Vesting Mean?



ACTIVITY: Ask the class *What does the term "vesting" mean?* Confirm their answers and move to the next slide where you will explain vesting in detail.



SLIDE 4

What Does Vesting Mean?

Timeframe of When You Keep Employer Contributions

Vesting in the TSP means that you have met the “timeframe” or service requirements that entitle you to keep the automatic 1% contribution. The term vesting is used by the TSP and by civilian employer retirement plans like a 401(k).

Makes It Portable

When you are vested, this means you can take all the employer contributions with you after you separate or retire and can transfer it to another retirement account if you choose to.

Your Contributions Are Always Yours to Keep

It’s worth noting that all of your contributions are always yours to keep. Vesting applies to the automatic and service matching contributions from your employer.



SLIDE 5

When Am I Vested?

Let’s look at when you are vested in the TSP. There are two different scenarios when vesting begins based on when you joined the military:

Service members who were serving as of December 31, 2017, and “opted” into the Blended Retirement System (BRS), will receive Service Automatic Contributions of 1% of their basic pay, immediately. These contributions and their earnings are vested once they have completed two years of service based on your pay entry base date (PEBD).

After serving two years, they will also receive Service Matching Contributions up to 4%, based on their own contributions of basic pay. These contributions and earnings are vested since they have already completed two years of service.

Service members who joined on or after January 1, 2018, are automatically enrolled in the BRS and begin receiving the 1% Service Automatic Contribution 60 days after entering service. Once they have served two years, they will receive Service Matching Contributions up to 4% of their basic pay contribution. They will be vested after serving two years in both the 1% automatic and the Service Matching Contributions.

Your contributions are always yours to keep.



SLIDE 6



SLIDE 7

Why Save for Retirement?



ACTIVITY: Ask the class *Why should you save for retirement?* Confirm their answers and move to the next slide where you will provide several good reasons.

Reasons to Save

Retirement may seem distant for you, but it'll be here before you know it. Start planning now to obtain financial security during your retirement years. Here are several reasons to save for retirement now.

Retirement Can Be Expensive

The main reason you want to save for retirement now is retirement can be expensive depending on your desired lifestyle. A **pension** may not be an option. Outside of the military there are very few civilian employers offering a pension anymore. Your **social security** may not be enough to fund the lifestyle you want in retirement. You also have to consider your **health and longevity** (how long will you live). Financial experts suggest to plan for up to 100 years of age. You also have to factor in inflation. The average rate of inflation is 3% — 4%. Are you saving in a product that will beat this rate on average?

Investing Can Be Easy

The solution to this potentially expensive retirement problem is investing. Investing now for retirement offers three essential tools for accumulating the most money possible:

1. Time
2. TSP matching contributions (or a greater amount)
3. Potentially a greater rate of return compared to savings

Compound Interest is the cycle of earning interest on interest! It's the money your money makes, making more money.

When you are in the Blended Retirement System (BRS), the military matches up to 4% of your basic pay contribution and automatically contributes 1% into your TSP. Which means if you contribute 5% the military contributes 5%. You have already doubled your investment.



Time = Money

Start early and continue

Name	Start Age	Monthly Investment	Total Invested	Total Earned
Pressy	20	200	108,000	\$1,054,908
Mandi	25	200	96,000	\$698,202
Steve	35	200	72,000	\$298,072

*Assuming an 8% Rate of Return to age 65

SLIDE 8

Time = Money (Saving for Retirement Example)



INSTRUCTOR NOTE: *Basic Investing* Handout

Let's now take a look at the *Basic Investing* Handout and the example of Pressy, Mandi and Steve to help illustrate the power of compound interest and why it's important to start early.

Pressy, Mandi and Steve all want to save for retirement. Pressy starts at age 20 saving \$200 per month. Mandi starts at age 25 saving the same \$200 per month. Steve waits until age 35 to save \$200 per month. Assuming the same 8% rate of return for each of them, see the chart in the presentation (and Handout) for their results:

- Pressy invests \$108,00 over 40 years and has \$1,054,908 at age 65
- Mandi invests \$96,000 over 35 years and has \$698,202 at age 65
- Steve invests \$72,000 over 30 years and has \$298,072 at age 65

Even though Pressy only saves \$12,000 more than Mandi, she retires with \$350,00 more than Mandi. Time is Money!

This example clearly illustrates how saving for retirement early pays off. **Time builds wealth**, so don't delay in saving as much as you can in your TSP.

If time permits, refer learners to the *Basic Investing* Handout to discuss three good reasons to invest:

1. Potential for higher returns
2. Achieving long-term goals
3. Inflation



SLIDE 9

Blended Retirement System Overview

The BRS is a modernized retirement plan that went into effect for all new Service members on January 1, 2018. Service members who had less than 12 years of service at that time had 1 year to opt into the BRS.



SLIDE 10

The Four Components of BRS



INSTRUCTOR NOTE: *Military Retirement* Handout

As you look at the *Military Retirement* Handout, you see that there are two military retirement systems, the Legacy or "High-3" and the Blended Retirement System (BRS). If you're vesting the in TSP, that means you're in the BRS.

Let's discuss the four components of BRS:

1. Defined Contribution, which consists of automatic (1%) and matching contributions (up to 4%) to a Service member's TSP. In order to take full advantage of the matching contributions, you need to contribute at least 5% to your TSP.

INSTRUCTOR NOTE: As of 1 October 2020, automatic BRS participation rate will be increased from 3% to 5%. If a BRS member was automatically enrolled before 10/1/2020, and is still contributing at the automatic enrollment rate on 10/1/2020, then the member remains auto-enrolled at 3%. If a BRS member was automatically enrolled but stops contributions during the year and is automatically re-enrolled on 1/1/2021, then the member is auto re-enrolled at 5%.

2. Continuation Pay, a mid-career incentive paid as a lump sum between 8-12 years of service with a service commitment of not less than 3 years.
3. Defined Benefit, also known as a pension. At 20 years, your retirement will be 40% of your base pay plus an incremental 2% per year (over 20) until year 30. BRS match stops at year 26.
4. Lump Sum Retirement option lets you take a lump sum payout in exchange for reducing monthly pension.



SLIDE 11



SLIDE 12

Understanding the TSP

Next, let's have a more detailed discussion on the TSP.

What Is the Thrift Savings Plan?



INSTRUCTOR NOTE: *Thrift Savings Plan* Handout

You enrolled into it in boot camp, but do you understand the TSP? This next section is designed to help you understand it and how to manage it.

Let's start off with explaining what the TSP is by using the Checklist and the *Thrift Savings Plan* Handout.

Defined-contribution Plan

The TSP is a type of retirement saving plan (aka defined contribution) open to all military members and federal employees and members of the uniformed services. Similar to a civilian 401(k), the TSP offers the opportunity for Service members to save and invest for retirement.

Matching Contributions

Under the BRS, you may receive up to 4% in service matching contributions, on top of the automatic 1% contribution into your TSP, which are deposited into the Traditional TSP. Automatic and matching contributions continue through the end of the pay period during which you reach 26 years of service.

Professionally Managed

The Federal Retirement Investment Board, who contracts with BlackRock Institutional Trust Company (N.A.) (BlackRock) to manage many of the fund's assets, professionally manages the Thrift Savings Plan.



SLIDE 13

TSP Benefits and Contribution Limits

There are many benefits to participating in the TSP:

- Minimal administrative fees — .043% per \$1000 managed, roughly \$.42/\$1000. Average 401(k) charges up to 1%.
- Minimal investment expenses—the cost of owning the respective funds is low. L Funds may have an additional cost associated with them, too.
 - F – 0.004%
 - G – 0.000%
 - C – 0.001%
 - S – .018%
 - I – .007%
- Automatic deductions — it comes right out of the paycheck before you even see it
- Automatic and matching contributions — as we have mentioned already there is a 1% automatic and up to 4% matching contribution
- Traditional and Roth Options — there are options to contribute pretax (Traditional) or post tax (Roth) contributions (use the *Thrift Savings Plan* Handout to explain the differences)
- Many investment funds — which we will briefly discuss in a moment

Contribution Limits. Even though you can contribute up to 100% of your pay to TSP, every year the IRS sets annual contribution limits.

Elective Deferral = \$19,500 for 2020 – This is the amount YOU can contribute to TSP. This is called the elective deferral limit and applies to the total of your Traditional and Roth contributions and other qualified retirement plans, like a 401(k) if you participated in one.

INSTRUCTOR NOTE: Point this out if there are Reservists or National Guard members.

Annual Additions Limit = \$57,000 for 2020 – This is the total amount that can be contributed to a qualified retirement plan, which includes your contributions and any from your employer. Under certain situations, this limit may be higher, so see *tsp.gov* for more information.

INSTRUCTOR NOTE: Point this out if there are Reservists or National Guard members.

Catch-up = \$6,500 for 2020 – The catch-up contribution limit is \$6,500 (2020) for participants age 50 and older. If you reach age 50 this year (2020), your elective deferral limit is \$26,000 and annual addition limit is \$63,500.

Service in a Combat Zone – If you serve in a combat zone, you may be able to exceed the elective deferral limits. Your Roth contribution is limited to the elective deferral amount, but your Traditional contributions may not be. Regardless, your contributions (Traditional and Roth) plus the Automatic and Matching Contribution from your service, are limited to the annual additions limit.



SLIDE 14

Five Core TSP Funds

INSTRUCTOR NOTE: Refer students to the *Thrift Savings Plan* Handout and briefly review and discuss the below information. Before class, look up the current fund rates of return on tsp.gov. Encourage students to attend a TSP class at the local installation family service center to learn more. Encourage them to meet with you (CFS) or your local PFM or PFC to discuss their personal spending plan and financial goals.

Let's now review the investment fund options available to you in the TSP to determine which fund(s) work for your objectives, risk tolerance and time horizon. The TSP offers several "Lifecycle" and five individual or core investment funds to choose from.

Beginning January 1, 2018, by default, TSP contributions were invested in a Lifecycle (L) Fund, which lines up with your retirement age.

G Fund — Assets are managed internally by the Federal Retirement Thrift Investment Board and are comprised of nonmarketable U.S. Treasury securities guaranteed by the U.S. government. This means that the G fund will not lose money. However, it also may not be the best investment when trying to achieve long-term goals (it does not capitalize well on the benefits of compounding interest).

F Fund — The Fixed Income Index Investment (F) Fund is invested to track the Bloomberg Barclays U.S. Aggregate Bond Index. The (F) Fund portfolio includes only investment-grade fixed income securities.

C Fund — The Common Stock Index Investment (C) Fund tracks the Standard & Poor's 500 (S&P 500) Index. This is a market index made up of the stocks of 500 large to medium-sized U.S. companies.

S Fund — The Small Capitalization Stock Index (S) Fund is invested to track the Dow Jones U.S. Completion Total Stock Market (TSM) Index. This is a market index of small and medium-sized U.S. companies that are not included in the S&P 500 Index or "small-cap" funds.

I Fund — The International Stock Index (I) Fund is invested in a stock index that tracks the Morgan Stanley Capital International Europe, Australasia and Far East (MSCI EAFE) Index and is a broad international market index comprised of large companies from 20 countries "International" funds.

To learn more about the Thrift Savings Plan be sure to visit tsp.gov.



SLIDE 15

TSP's Lifecycle Funds

Lifecycle Funds are designed to automatically adjust to reflect risk based on the targeted timeframe a member plans to retire. They are designed for participants who may not have the time or experience to manage their TSP portfolio.

Notice that as someone moves closer to retirement (target date), the exposure to equity decreases and the exposure to stable or fixed income increases. This is designed to provide a smooth glide path to retirement.



SLIDE 16

Evaluate Your Retirement Goals

INSTRUCTOR NOTE: Encourage students to learn more about retirement planning by attending the class “Planning for Your Retirement” at a local installation family service center.

Automatic Enrollment, Contributions. If you're a Service member who joined on or after Jan. 1, 2018, your service automatically enrolled you in the TSP and 3% of your basic pay is being contributed to your TSP unless you change it. Beginning in October 2020, that automatic contribution will increase to 5%. To increase (or make changes) to your TSP contributions, visit www.mypay.dfas.mil or *Direct Access for USCG*.

Evaluate Annually. Every year you should evaluate your retirement goals. Do you need to increase your TSP contributions or change funds to meet your goals?

Analyze your spending plan. To help you evaluate and reach your retirement goals, you need to analyze your spending plan to determine how much you can afford to contribute toward your retirement goals. Remember to contribute at least 5% to take advantage of the full government match.

Review Funds: Are the funds you are contributing to working for your objectives, risk tolerance and time horizon? If not, do you need make a change? To make elections for future contributions, log into your account on tsp.gov. For more information, speak to a financial counselor at your installation.



SLIDE 17

Tax Treatment Options

Traditional vs. Roth. So, how do you decide between contributing to the Traditional or Roth option in your TSP account?

If you want to lower current income taxes and defer them until retirement, select Traditional contributions.

Alternatively, select Roth contributions if you'd prefer to pay income taxes on your contributions now and avoid taxes on qualified withdrawals in the future.



SLIDE 18

How to Access and Manage TSP

Now that you know about the TSP, let's briefly go over how to manage it.



SLIDE 19

How to Access and Manage TSP

There are two main websites you will use to access and manage your TSP: *myPay* or *Direct Access* and *tsp.gov*.

myPay— To start, stop, or change contributions to your TSP, login to myPay at *mypay.dfas.mil/mypay*. Here, you can change how much of a type of pay (basic or special and incentive) you want to invest and which account you want it invested in. Also, verify and update your address.

While you are active, going to the TSP section of myPay is the quickest and easiest way to update your TSP mailing address. You should know that the “Correspondence Address” section of myPay will NOT update your information with the TSP. You MUST go to the TSP section of myPay to change your TSP address.

On the other hand, if you are separated from service, you can view and change your address by logging into the “My Account” section of the TSP website or complete and print a Form TSP-9, Change in Address for Separated Participant, to submit by mail or fax. USCG personnel will enroll in TSP via Direct Access.

TSP.gov — To access and manage your TSP account, you'll need to visit *tsp.gov* and log in with your account number*. Here you can view your portfolio, manage your investments, and change your future allocations.

INSTRUCTOR NOTE: *If you have misplaced or lost your account number, visit www.tsp.gov/tsp/forgottenAccount.html to request the account number be mailed to you. Be sure to verify and update your address in myPay or direct access first.



SLIDE 20



SLIDE 21



SLIDE 22



SLIDE 23

Summary and Resources

Now let's take our last couple of minutes together to review what we've covered.

Summary

We discussed the following topics, do you have any questions on any of them:

- Vesting in the TSP
- Why save for retirement?
- Blended Retirement System (BRS) overview
- Understanding the TSP
- How to access and manage your TSP
- tsp.gov and IRS Publication 3 — Armed Forces' Tax Guide

Resources

Please read through your Checklist and Handouts and refer back to them. They are a great resource to help navigate the financial decisions you'll need to make.

You are not alone! You have many layers of support to help you learn more and make good financial decisions.

You can talk to your CFS at your unit or meet with a PFM and attend a class at your local installation service center. You can call Military OneSource or CG SUPRT for additional assistance. This is a great option for flexibility of scheduling since the call center has extended hours. You may also access the FINRED Sen\$e mobile app or the MyNavy Financial Literacy mobile app for assistance with a variety of personal finance issues.

Thank You!

CFS Preparation: Distribute and discuss the Vesting in the Thrift Savings Plan checklist and accompanying handouts to support this video-based training course. Checklists and handouts can be found online at <https://finred.usalearning.gov/SPL/Training/NavyResource/TouchpointCurriculum>.

CFS Intro: Welcome to this training course on Vesting in the Thrift Savings Plan (TSP) and congratulations on reaching this important milestone in your career. The goal of today's class is for you to learn about retirement planning, how the TSP works, and the investment choices available for your TSP account. Together we will watch a series of videos and pause for a group discussion on some of the important topics. We have a lot to cover so let's get started!

Play Videos 1 & 2

Discussion Questions



1. Vesting in the
TSP Overview



2. Why Save for
Retirement?

1. Speaking of retirement, how do you feel about saving and investing early in your military career? Does seeing the numbers and potential growth of your accounts encourage you?

CFS Talking Points: Understand that not everyone has retirement savings on their to-do list or even as a priority in their life. However, knowing how interest can work for us, how time can assist in accumulating and compounding our earnings, and the destruction that inflation can have, it is best to start as soon as possible. I encourage you to talk with your leadership or your older family members and ask them what they wish they had done differently regarding retirement savings. Remember that even a small investment towards retirement can have a big impact while you are young. If you decide to wait 10, 20, 30 years, a much larger portion of your income will need to go toward retirement savings to prepare for the day that you are no longer working.

2. When thinking about an enjoyable retirement, how can TSP play a part?

CFS Talking Points: TSP can supplement the more common ways to pay for retirement like Social Security and pensions. If you don't plan on a pension then it is a good idea to target your personal investing goals at a higher level to fill the gap.

Knowledge Check

Question: At what age do most people qualify for Social Security?

Answer: 62. Remind students that if they wait until age 70, the monthly benefit will be much larger. Go to ssa.gov to estimate benefits based on your specific information.

PART 2: Retirement Planning

CFS Intro: In the next section, we will review the components of the Blended Retirement System. By gaining a better understanding of the military's retirement plan, you can fully take advantage of the benefits to help build your own retirement.

Play Video 3

Discussion Question



3. Military Retirement Overview

What are the four components of the Blended Retirement System that can help you save for retirement?

CFS Talking Points: The features of the Blended Retirement System include the Thrift Savings Plan (TSP), the military pension, the lump sum option and Continuation Pay.

You can contribute \$19,500 in your TSP in 2020. Under the BRS you will automatically receive 1% in automatic contributions from your branch of service. By contributing 5% of your base pay you can take advantage of 4% service matching contributions. Put this all together and contributing 5% of your base pay to the TSP will result in receiving 5% in total service contributions for a total of 10%. Whether you are part of the BRS or not, you may be eligible for a pension after serving 20 years. BRS participants have the option to take a lump sum payment in exchange for a reduced monthly pension amount and can choose to receive continuation pay if offered by their branch of service.

Knowledge Check

Question: What percentage of your pay must you contribute in your TSP to receive the maximum match from the government?

Answer: 5%

Question: Roughly, how much will your pension be if you retire with 20 years of service?

Answer: 40% of your retirement base pay

PART 3: Thrift Savings Plan

CFS Intro: Our next round of videos will dive into TSP with information on how the plan works and how to utilize this benefit to assist in meeting your retirement funding goals.

Play Videos 4, 5, 6 & 7



4. Vesting in the TSP



5. Understanding the TSP



6. How to Manage Your TSP



7. TSP Max - Take It to the Limit

Discussion Questions

1. Question: What does the term vesting mean, and what is vesting for those under the Military's Blended Retirement System (BRS)?

Answer: Vesting refers to the time when all government provided contributions in your retirement account are yours to keep. Service members under the BRS will be fully vested after completing two years of military service.

2. Your TSP account is yours which means you are in charge of managing it. What steps can you take now to ensure you are handling your retirement plan properly?

CFS Talking Points: Check to make sure your account in myPay is accurate. Check your tax treatment on contribution and update the percentage of contribution of pay. Order your account number and password through www.tsp.gov. Login at www.tsp.gov to view your allocation of current balance and future contributions; update if needed; review and update your beneficiaries.

Knowledge Check

Question: TSP matching under BRS is based on what pay contribution?

Answer: Basic Pay

Question: When are BRS participants vested in contributions provided by the government?

Answer:

1. Opt-in — Matching vested immediately, 1% auto contribution vested after 2 years total service.
2. New accessions — Matching begins after two years and is immediately vested. The 1% auto contribution is vested after two years.

Play Video 8



8. Final Thoughts

CFS Talking Points: Now that we have completed this training, please remember that you have support through your Installation Personal Financial Manager, Military OneSource, and TSP.gov for your TSP and BRS questions.

CFS Note: Provide contact information for Installation Personal Finance Manager, Military One Source www.militaryonesource.mil or 1-800-342-9647, TSP — www.tsp.gov or ThriftLine 1-877-968-3778.




Vesting in the Thrift Savings Plan (TSP)

Presentation






1



Agenda

- Vesting in the Thrift Savings Plan (TSP)
- Why Save for Retirement?
- Blended Retirement System Overview
- Understanding the TSP
- How to Access and Manage the TSP



Vesting in the Thrift Savings Plan Counselor Checklist Available

TOUCHPOINT

2




What Does Vesting Mean?



TOUCHPOINT

3



What Does Vesting Mean?

- **Vesting = Ownership**
- **Timeframe of when you keep employer contributions**
 - ✓ Thrift Savings Plan (TSP)
 - ✓ Civilian employer's 401(k)
- **Makes employer contributions portable – yours to keep after separating**

TOUCHPOINT

4



When Am I Vested?

- **Serving before December 31, 2017**
 - ✓ Opted into BRS
 - ✓ 1% and matching immediately
 - ✓ Matching vested immediately
- **Serving after January 1, 2018**
 - ✓ Automatically enrolled in BRS
 - ✓ 1% after 60 days
 - ✓ Matching starts at 2 years and you are already vested
 - ✓ Vested after serving 2 years
- **Your contributions are always yours to keep**

TOUCHPOINT

5




Why Save for Retirement?



TOUCHPOINT

6




Reasons to Save

- **Retirement can be expensive**
 - ✓ Pension may not be an option or not enough
 - ✓ Social Security may not be enough
 - ✓ Health and longevity
 - ✓ Inflation

- **Investing can be easy**
 - ✓ Time builds wealth
 - ✓ TSP matching
 - ✓ Potentially greater returns than saving
 - ✓ Benefits of compounding interest

TOUCHPOINT

7




Time = Money

Start early and continue

Basic Investing	Start Age	Monthly Investment	Total Invested	Total Earned*
Pressy	20	200	108,000	\$1,054,908
Mandi	25	200	96,000	\$698,202
Steve	35	200	72,000	\$298,072

**Assuming an 8% Rate of Return to age 65*

 Basic Investing Handout Available

TOUCHPOINT

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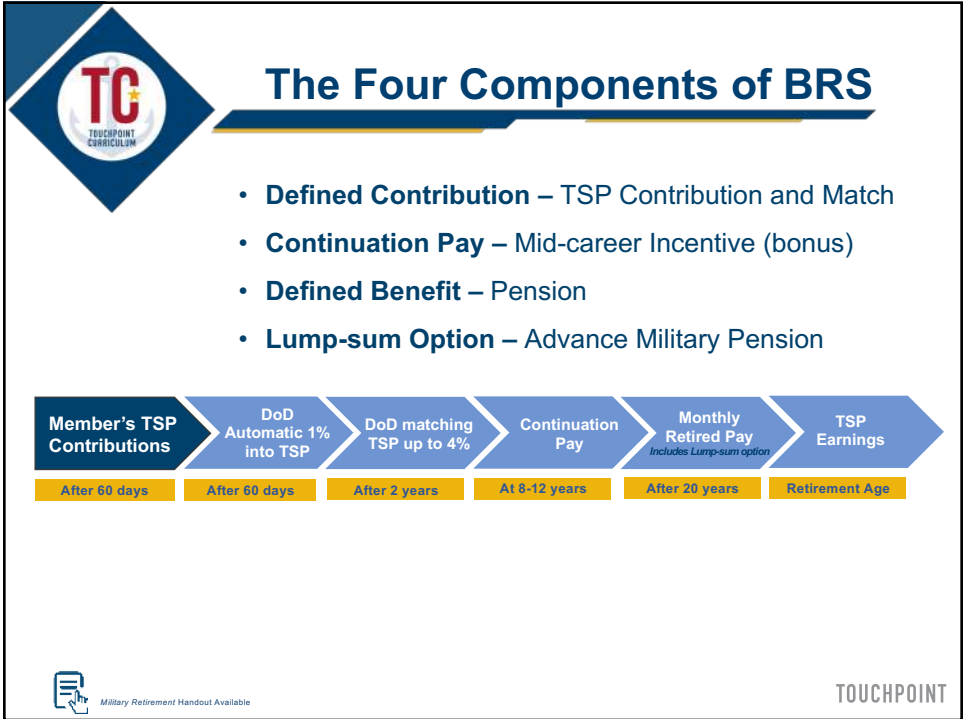


TC
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Blended Retirement System Overview

TOUCHPOINT

9




TC
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The Four Components of BRS

- **Defined Contribution** – TSP Contribution and Match
- **Continuation Pay** – Mid-career Incentive (bonus)
- **Defined Benefit** – Pension
- **Lump-sum Option** – Advance Military Pension

Member's TSP Contributions	DoD Automatic 1% into TSP	DoD matching TSP up to 4%	Continuation Pay	Monthly Retired Pay <i>Includes Lump-sum option</i>	TSP Earnings
After 60 days	After 60 days	After 2 years	At 8-12 years	After 20 years	Retirement Age

 Military Retirement Handout Available

TOUCHPOINT


10



Understanding the TSP


TOUCHPOINT

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What Is the Thrift Savings Plan?


- **Defined-contributions plan (TSP)**
 - ✓ Open to all military members and federal employees
 - ✓ Similar to a civilian 401(k)
- **Matching contributions**
 - ✓ Up to 4% match
 - ✓ Deposited into Traditional TSP
 - ✓ After completion of 2 years
 - ✓ Until you reach 26 years of service
- **Professionally managed**
 - ✓ Federal Retirement Investment Board



Thrift Savings Plan Handout Available

TOUCHPOINT

12



TSP Benefits and Contribution Limits

- **Benefits**
 - ✓ Minimal administrative fees
 - ✓ Automatic deduction
 - ✓ Automatic and matching contributions
 - ✓ Traditional and Roth options
 - ✓ Many investment funds
 - ✓ Tax advantages
- **Contribution Limits**
 - ✓ Elective Deferral = \$19,500 for 2020
 - ✓ Combat Zone = \$57,000 for 2020
 - ✓ Catch-up (50+ years) = \$6,500 for 2020

TOUCHPOINT

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Five Core TSP Funds

We offer 5 individual funds that you can customize based on your comfort level

G FUND Government Securities Investment Fund	F FUND Fixed Income Index Investment Fund	C FUND Common Stock Index Investment Fund	S FUND Small Capitalization Stock Index Investment Fund	I FUND International Stock Index Investment Fund
<p>What It Is: Government securities that are specially issued to the TSP</p> <p>Pros: Does not lose money; has a consistent but relatively low investment return</p> <p>Risks: Your money may not grow to meet your retirement needs or outpace inflation.</p>	<p>What It Is: Government, corporate, and asset-backed bonds</p> <p>Pros: May earn returns that are higher than money market funds over the long term with relatively low risk</p> <p>Risks: Bond prices fall when interest rates rise. Bonds may be repaid early, reducing your returns.</p> <p>Benchmark Index: Bloomberg Barclays U.S. Aggregate Bond Index</p>	<p>What It Is: Stocks of large and medium-sized U.S. companies</p> <p>Pros: Potential for high investment returns over the long term</p> <p>Risks: Can be volatile depending on stock market performance</p> <p>Benchmark Index: Standard & Poor's 500 Stock Index</p>	<p>What It Is: Stock of small to medium-sized U.S. companies</p> <p>Pros: Potential for high investment returns over the long term</p> <p>Risks: Can be volatile depending on stock market performance</p> <p>Benchmark Index: Dow Jones U.S. Completion TSM Index</p>	<p>What It Is: International stocks from more than 20 developed countries</p> <p>Pros: Potential for high investment returns over the long term</p> <p>Risks: Can be volatile depending on stock market performance</p> <p>Benchmark Index: MSCI EAFE Stock Index</p>

For more comprehensive information, visit tsp.gov and select "Learn about fund options" from the menu.

TOUCHPOINT

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TSP's Lifecycle Funds

Each L Fund is a mix of individual funds based on when you'll need your money

L 2065	L 2060	L 2055	L 2050	L 2045
<p>Consider if you were born after 1995 or plan to withdraw from your account after 2062.</p> <p>For the long-term investor</p>	<p>Consider if you were born between 1995-1999 or plan to withdraw from your account between 2058-2062.</p> <p>For the long-term investor</p>	<p>Consider if you were born between 1990-1994 or plan to withdraw from your account between 2053-2057.</p> <p>For the long-term investor</p>	<p>Consider if you were born between 1985-1989 or plan to withdraw from your account between 2048-2052.</p> <p>For the long-term investor</p>	<p>Consider if you were born between 1980-1984 or plan to withdraw from your account between 2043-2047.</p> <p>For the long-term investor</p>
L 2040	L 2035	L 2030	L 2025	L INCOME
<p>Consider if you were born between 1975-1979 or plan to withdraw from your account between 2038-2042.</p> <p>For the long-term investor</p>	<p>Consider if you were born between 1970-1974 or plan to withdraw from your account between 2033-2037.</p> <p>For the medium-term investor</p>	<p>Consider if you were born between 1965-1969 or plan to withdraw from your account between 2028-2032.</p> <p>For the medium-term investor</p>	<p>Consider if you were born between 1958-1964 or plan to withdraw from your account next year and 2027.</p> <p>For the short-term investor</p>	<p>Consider if you were born between 1958 or already withdrawing from your account.</p> <p>For those already withdrawing</p>



With the exception of L Income, the investment mix of each L Fund becomes more conservative over time. To change your investments, log in to My Account on tsp.gov and choose "Contribution Allocation" or "Interfund transfers" from the menu.

TOUCHPOINT

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Evaluate Your Retirement Goals

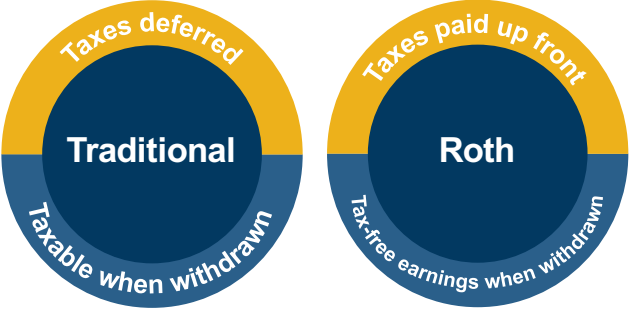
- **Annually evaluate**
 - ✓ Increase your TSP contributions
 - ✓ Goals, risk tolerance and fund selection
- **Analyze your spending plan**
 - ✓ How much can you afford?
 - ✓ At least 5%
 - ✓ Maximize benefits
- **Review funds**
 - ✓ Meet objectives / risk tolerance / time horizon

TOUCHPOINT

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Tax Treatment Options



TOUCHPOINT


17



How to Access and Manage the TSP

TOUCHPOINT

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How to Access and Manage TSP

- ***my pay.dfas.mil* and Direct Access**
 - ✓ Start – stop – change
 - Percentage of pay
 - Type (Traditional / Roth)
 - ✓ Update address
- ***TSP.gov***
 - ✓ View portfolio
 - ✓ Manage investments
 - ✓ Change allocations
 - ✓ Review and update beneficiaries

TOUCHPOINT


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Summary and Resources

TOUCHPOINT

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Summary


Congratulations on reaching this important milestone!

This anniversary marks an important achievement in your military career and in the Thrift Savings Plan. Let's recap what you learned about:



- ✓ Vesting in the Thrift Savings Plan (TSP)
- ✓ Why Save for Retirement?
- ✓ Blended Retirement System Overview
- ✓ Understanding the TSP
- ✓ How to Access and Manage TSP

TOUCHPOINT

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Resources

- **Checklist and Handouts**
- **Financial Education and Support**
 - ✓ Command Financial Specialists (CFS)
 - ✓ Personal Financial Managers (PFM)
 - ✓ Installation Family Support Center or Health, Safety, Work-Life (HSWL) Regional Practice
 - ✓ Relief Societies
 - ✓ Military OneSource or CG SUPRT
- **Financial Literacy Mobile Apps**
 - ✓ MyNavy Financial Literacy 
 - ✓ Sen\$e 

TOUCHPOINT

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Thank You!

The appearance of U.S. Department of Defense (DoD) visual information does not imply or constitute DoD endorsement.

TOUCHPOINT



- Student Manual
- Counselor (PFM/CFS) Checklist
- Counselee Checklist
- Instructor Guide
- Video Discussion Guide
- PowerPoint Slides

TC 6

Entitlement to Continuation Pay (CP)





Entitlement to Continuation Pay

Student Manual



I. INTRODUCTION

As a Command Financial Specialist, you will be able to use the appropriate Checklists and accompanying Handouts as solution-focused tools to help Service members, in one-on-one conversations/sessions to understand and make informed decisions about Continuation Pay. As you go through each part of the checklist with the Service member, you'll check their understanding by asking relevant questions regarding the topic covered and provide examples as needed.

II. LEARNING OBJECTIVES

Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

- 1. TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.

ELOs: Update personal spending plan. Know how to protect Continuation Pay assets from scams and frauds.
- 2. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELOs: Understand tax implications of Continuation Pay. Be able to calculate tax bracket and Continuation Pay effects. Know the importance of setting aside funds to cover increased taxes.
- 3. TLO:** Recognize and understand how to protect yourself from misleading consumer practices and report complaints.

ELO: Know how to protect Continuation Pay assets from scams and frauds.
- 4. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.

ELOs: Understand Continuation Pay under BRS. Calculate how much pay will be received as Continuation Pay under BRS. Understand how BRS Continuation Pay can be used. Understand how Continuation Pay is factored into contributions to TSP. Understand whether Continuation and Special Pay can be received concurrently.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.gov>
- Thrift Savings Plan (TSP) — <https://www.tsp.gov>
<https://www.tsp.gov/planning-for-life-events/>
- Blended Retirement System (BRS) — <https://militarypay.defense.gov/blendedretirement>
- U.S. Securities and Exchange Commission (SEC) — <https://www.investor.gov>
- Internal Revenue Service (IRS) —
<https://www.irs.gov>, <https://www.irs.gov/filing/individual/update-my-information>
- Military Compensation — <https://militarypay.defense.gov/Benefits/Thrift-Savings-Plan>
<https://militarypay.defense.gov/Pay/Tax-Information>
- Free annual credit report — <https://www.annualcreditreport.com>
- USA.gov — <https://www.usa.gov/saving-investing>
- Department of Veterans Affairs (VA) — <https://www.benefits.va.gov>
- Consumer Financial Protection Bureau (CFPB) —
<https://www.consumerfinance.gov/consumer-tools/military-financial-lifecycle>
- milSuite for PFM —
<https://www.milsuite.mil/book/groups/cnic-personal-financial-management-program-wfl>
- CNIC Touchpoint Curriculum —
https://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/work-and-family-life/personal_finances/pfm-touchpoint-checklists.html

IV. ACRONYMS AND ABBREVIATIONS

Acronym/Abbreviation	Full Name	Definition
BRS	Blended Retirement System	The Blended Retirement System is a modernized retirement plan for the Uniformed Services.
TSP	Thrift Savings Plan	The Thrift Savings Plan is a retirement savings and investment plan for federal employees and members of the Uniformed Services, including the Ready Reserve.

V. TOUCHPOINT TOOLBOX: MATERIALS AND RESOURCES TO TEACH TOPIC

All materials are available on PFM milSuite, CNIC and FINRED websites (listed above), and DVD. Links to curriculum may change or vary locally.

Delivering the right financial training at the right time helps ensure that Service members understand the financial implications, considerations, and decisions that need to be made at each Touchpoint. The tools listed below teach the same story but let you, the CFS, tell it different ways, depending on your audience, your time allotted, or your particular teaching style. They can be mixed and matched to provide the best learning experience.

REMEMBER: Every Counselee should receive a signed, dated copy of the Counselee Checklist to verify training completion and, most importantly, to ensure they have a reference to help them navigate the financial decisions required at each Touchpoint.

1. One-on-One Counseling Checklists and Handouts (Service Specific)

- *Entitlement to Continuation Pay CFS/PFM Counselor Checklist*
- *Entitlement to Continuation Pay Counselee Checklist*

Handouts:

- *Continuation Pay Handout*
- *Military Retirement Handout*
- *Spending Plan Worksheet Handout*
- *Sources of Help for Military Consumers Handout*
- *Basic Investing Handout*
- *Military Consumer Protection Handout*

2. Classroom Training Materials (Service Specific)

- *Entitlement to Continuation Pay Checklists and Handouts*
- *Entitlement to Continuation Pay PowerPoint (PPT) Training Slides and Instructor Guide (IG)*
- *Entitlement to Continuation Pay Videos and Video Discussion Guide (VDG)*

3. Online Training

- *Entitlement to Continuation Pay course (Navy e-Learning, My Navy Portal or your service-specific e-Learning site)*

VI. ADDITIONAL LEARNING AND ACTIVITIES

It is critical for CFS to understand Continuation Pay so they can educate Service members about how and when to request Continuation Pay as well as how to effectively apply this money in support of their financial goals.

Here are some additional ideas for conversations and activities to have with your clients or audience:

- Complete the *Entitlement to Continuation Pay Worksheet*
- Assist Service member with *Spending Plan Worksheet* or eFPW
- Review the *Military Retirement Handout*

Encourage Service members to attend PFM Standard Curriculum Courses at the local installation Family Support Center to learn more about financial considerations for this Touchpoint.

- Developing Your Spending Plan
- The Thrift Savings Plan
- Saving and Investing
- Planning for Retirement
- Credit Management



ENTITLEMENT TO CONTINUATION PAY (CP)

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Congratulations on reaching this important milestone in your Navy career — the point where you are approaching eligibility for Continuation Pay (CP). Use this checklist and accompanying handouts to help reassess your career goals and make important personal financial decisions as they pertain to CP.

Counselor: Use this checklist and the listed handouts as a solution-focused tool to help Sailors, in a classroom setting or counseling session, set goals, establish priorities, and develop a plan of action. Space is provided to add local resources and reminders about additional topics. If you need additional information and referrals, contact your local Fleet and Family Support Center (FFSC) staff.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Military Retirement
- ✓ Continuation Pay
- ✓ Basic Investing



BASIC FINANCE

- Update your personal spending plan using the "Spending Plan Worksheet." A good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four steps financial experts suggest to get started.

Counselor: Inform counselees that you can provide a "Spending Plan Worksheet" as well as more detailed templates with features that can help them understand their financial situation and reduce excessive debt.

Step 1: Understand your current situation.

In this step, it's important to understand what's REALLY going on with your money today. Start tracking all your income and spending for the next 30 days. How you do the tracking is up to you, but what's important is you do it.

Step 2: Know where your money should go.

Financial experts offer these general guidelines when budgeting your money:

- Try to save and/or invest 10% – 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas and maintenance to 15% – 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, and maintenance to your Basic Allowance for Housing or 25% of pretax pay.



Step 3: Create a plan.

Build a plan for setting aside money and putting limits on how much you'll spend each month per category.

- Prioritize your financial goals.
- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

Counselor: Share with counselees the concepts of paying yourself first, automating savings, and keeping their emergency fund in a separate account. Suggest they make it effortless by setting up an automatic transfer through their bank or an allotment, time permitting.

Step 4: Make adjustments.

Update your spending plan as your life changes. Monitor your plan until you have fully adjusted your finances to reflect your new situation.

- Prepare for possible tax implications of CP.

The IRS views CP as earned income, therefore taxable. Payment can be split into installments distributed annually to potentially reduce the tax liability incurred by receiving CP as a lump sum. The installments can be spread out up to four years. Each Sailor's situation is unique, so consider speaking with a tax professional.

Counselor: Inform counselees that the installments can be spread out up to four years. This may or may not be beneficial based on their personal tax situation, so encourage them to speak with a tax professional to make an informed decision.

Additional notes: _____



CONSUMER PROTECTIONS

- Review the handout "Military Consumer Protection" for additional information on identity theft, the Servicemembers Civil Relief Act (SCRA), and Military Lending Act (MLA).

Counselor: Remind counselees the base legal office can assist by reviewing contracts to help counselees from falling prey to predatory lenders and fraudsters.

- Protect yourself from misleading consumer practices and know basic procedures for handling a consumer complaint or dispute. Review the "Sources of Help for Military Consumers" handout.

Additional notes: _____



PLANNING FOR THE FUTURE

- Understand the basics of the Blended Retirement System by reviewing the "Military Retirement" handout.

- In 2016, the National Defense Authorization Act created a new military retirement system, called the Blended Retirement System, or BRS, that blends the traditional legacy retirement pension (defined benefit) with contributions to a Sailor's Thrift Savings Plan account (defined contribution).
- The TSP is similar to the retirement plans offered by many private employers as it offers similar types of savings and tax benefits. It is also the same defined contribution plan thousands of Department of Defense (DoD) and federal government civilians take advantage of for their retirement savings.
- CP is a one-time, midcareer incentive payment offered to eligible Sailors who are covered under the BRS in exchange for additional service. CP is in addition to any other career field-specific incentives or retention bonuses.

Know more about CP. Review the "Continuation Pay" handout for more information.

- You must elect to receive CP before starting your 12th year of service (calculated from a Sailor's Pay Entry Base Date).
- CP is targeted at the midcareer mark.
- Most Sailors in BRS who reach the 12-year mark will be eligible to request CP. However, each Service determines the timing and the amount.
- Please note, any unearned portion of the CP will be subject to repayment if you do not complete your continued service obligation.

Calculate how much CP you will receive. Refer to the "Continuation Pay" handout provided and use the pay rates at <https://militarypay.defense.gov/BlendedRetirement> to help you determine the amount of money you will potentially receive.

- Active duty Sailors, including Full-Time Support (FTS) personnel, may be eligible for a CP multiplier of 2.5.
- Members of the Reserves in drilling status may be eligible to receive a CP multiplier of 0.5.
- Each Service will determine and publish its own guidance on CP every calendar year. Pay rate multipliers may be based on Service-specific retention needs, specialty skills and hard-to-fill positions, similar to career field incentives and re-enlistment bonuses.

Put CP to good use. Review the "Continuation Pay" handout for more information.

Additional notes: _____



SAVING AND INVESTING

Evaluate your retirement goals and review TSP annual contribution limits.

Important note: You should keep the IRS annual contribution limit in mind when deciding how much you will contribute to your TSP account from your CP. Exceeding the IRS limit early could result in your monthly auto payments into your TSP account to stop before December, causing you to lose out on government matching contributions. Review the Military Retirement handout for more information on TSP matching contributions.

Counselor: Inform counselees that they only receive government matching contributions on the first 5% of their basic pay that is contributed each pay period. So, if they reach their annual limit earlier in the year and their own contributions stop, the government matching contributions will also stop.

- Review the “Basic Investing” handout to learn more about investing for retirement, compound earnings and fundamentals of investing.

Additional notes: _____

RESOURCES

- Ask for help. You don’t have to navigate financial decisions regarding CP alone. Help is just a visit, call, click or download away.
 - **Visit** a personal financial counselor/educator at your local Fleet and Family Support Center who can help you find answers to questions about money management, debt, saving and investing.
 - **Call** Military OneSource at 1 (800) 342-9647 for phone or video financial counseling with a professional financial counselor.
 - **Click** www.MilitaryOneSource.mil for financial education resources at your fingertips.
 - **Download** the MyNavy Financial Literacy App to stay connected and find the latest news on CP rates.

Counselor: After you have completed this checklist with the counselees, encourage them to ask questions, especially about topics that the checklist did not address. Are there any additional resources for which you should make a referral? Now is a great opportunity to see what other services the Service member might benefit from.

Additional notes: _____



ENTITLEMENT TO CONTINUATION PAY (CP)

MY CHECKLIST

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Additional notes: _____



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Review the "Basic Investing" handout to learn more about investing for retirement, compound earnings and fundamentals of investing.

Additional notes: _____



RESOURCES

Ask for help. You don't have to navigate financial decisions regarding CP alone. Help is just a visit, call, click or download away.

- **Visit** a personal financial counselor/educator at your local Fleet and Family Support Center who can help you find answers to questions about money management, debt, saving and investing.
- **Call** Military OneSource at 1 (800) 342-9647 for phone or video financial counseling with a professional financial counselor.
- **Click** www.MilitaryOneSource.mil for financial education resources at your fingertips.
- **Download** the MyNavy Financial Literacy App to stay connected and find the latest news on CP rates.

CFS/PFM Printed Name

Counselor Printed Name

Signature

Date

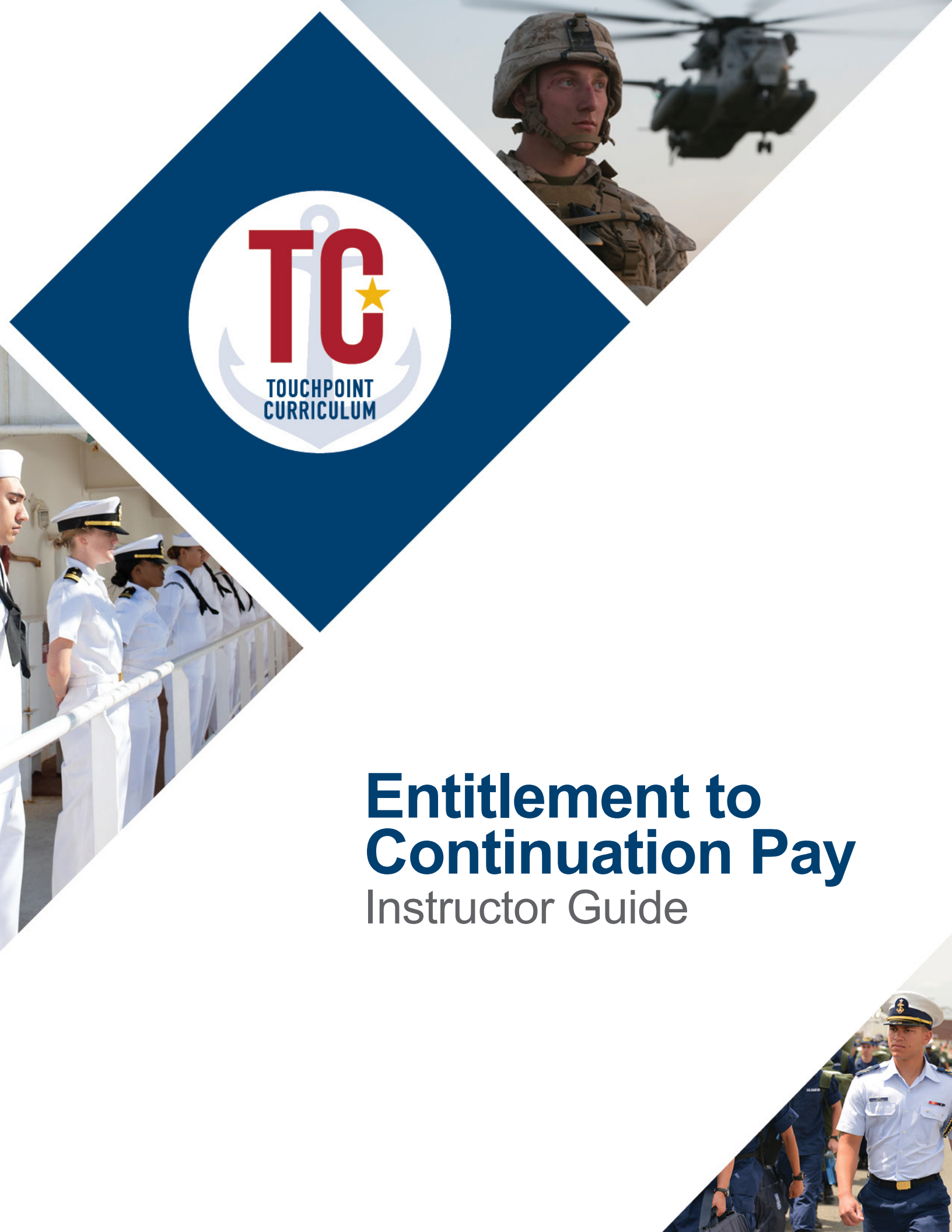
Signature

Date



Entitlement to Continuation Pay

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Entitlement to Continuation Pay* course is organized into five parts:

1. **Introduction and Agenda**
 - Welcome
 - Facilitator introduction
 - Agenda

2. **Continuation Pay Basics**
 - What is Continuation Pay?
 - Who is eligible to receive it?
 - When can you receive it?
 - Why is it being offered?
 - How is it calculated and disbursed?

3. **Application Process**
 - How to apply for Continuation Pay

4. **Financial Implications**
 - What are the tax considerations?
 - What are the conditions/limitations of investing CP into the TSP?
 - What can you do with your CP?
 - What if you don't meet your service obligations?

5. **Summary and Resources**

TOTAL: 60 minutes

II. LEARNING OBJECTIVES

Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

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ELOs: Update personal spending plan. Know how to protect Continuation Pay assets from scams and frauds.
- 2. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELOs: Understand tax implications of Continuation Pay. Be able to calculate tax bracket and Continuation Pay effects. Know the importance of setting aside funds to cover increased taxes.
- 3. TLO:** Recognize and understand how to protect yourself from misleading consumer practices and report complaints.



ELO: Know how to protect Continuation Pay assets from scams and frauds.
- 4. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.

ELOs: Understand Continuation Pay under BRS. Calculate how much pay will be received as Continuation Pay under BRS. Understand how BRS Continuation Pay can be used. Understand how Continuation Pay is factored into contributions to TSP. Understand whether Continuation and Special Pay can be received concurrently.

III. CHAPTER PREPARATION

Sections labeled “**INSTRUCTOR NOTE:**” include additional information for instructor background, as well as activities that provide practical application of key learning points. Instructor notes contain an icon and appear in a shaded text box for easier recognition.

CONTENT ICONS — The following icons are used throughout the guide:

INSTRUCTOR NOTE:	Instructor Note (indicates additional information related to the content for the instructor)
	Checklist and Handout (indicates a Checklist or Handout is associated with the content)
	Learning Activity (indicates a learning activity)

INSTRUCTOR NOTE: Being prepared for training promotes organization, projects a positive image, and reduces stress.

Be prepared to discuss each Checklist and Handout in class. You should familiarize yourself with this content so you can effectively discuss each document during your presentation.

While this guide is written as a script, avoid reading it word-for-word. Familiarize yourself ahead of time so you feel comfortable covering the material in your own words.

Throughout the presentation, the Checklist or Handouts will be identified with an icon on the PowerPoint and an Instructor Note in this Instructor Guide.

Materials and Equipment:

- Projector/screen
- *Entitlement to Continuation Pay* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils
- Course sign-in sheet
- Course evaluations

Forms and Handouts:

- *Entitlement to Continuation Pay* Counselee Checklist
- *Continuation Pay* Handout
- *Military Retirement* Handout
- *Spending Plan Worksheet* Handout
- *Sources of Help for Military Consumers* Handout
- *Basic Investing* Handout
- *Military Consumer Protection* Handout

IV. CONTENT



SLIDE 1

Introduction

Welcome to the *Entitlement to Continuation Pay* course. This is an opportunity to understand what Continuation Pay is, how to apply for it, and how best to use it.

Facilitator Introduction

Introduce yourself by providing:

Hello, my name is _____.

I am a _____.

(Describe your experience as a facilitator or with personal financial management.)

Course Purpose and Rationale

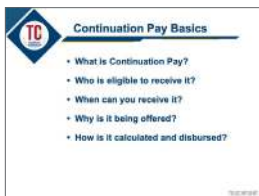
The information we will cover over the next 60 minutes will help you plan for your Continuation Pay. Having an effective financial plan will help you remain focused on the mission and make the most of your Continuation Pay.



SLIDE 2

Agenda

You are entering into the second half of your military career, so it's a great time to refocus on your finances. Today we will discuss the following four topics: **Continuation Pay Basics, Application Process, Financial Implications and Resources.**



SLIDE 3

Continuation Pay Basics

We will answer the following questions about Continuation Pay:

What is Continuation Pay?

Who is eligible to receive it?

When can you receive it?

Why is it being offered?

How is it calculated and disbursed?

There is a lot to cover today, so let's get started.



SLIDE 4

What Is Continuation Pay?



INSTRUCTOR NOTE: *Military Retirement* and *Continuation Pay* Handouts. Be prepared to discuss each Handout with class.

What is Continuation Pay?

It's a one-time, mid-career bonus payable at 12 years of service paid in exchange for 4 additional years of service.

This one-time bonus payment is in addition to any other career field-specific incentives or retention bonuses you may receive or otherwise be eligible to receive. It is essentially a retention tool.

Continuation Pay is one of four key components of the Blended Retirement System. Let's briefly go over the BRS using the *Military Retirement* Handout I've provided.



SLIDE 5

Who Is Eligible to Receive It?

This one-time payout is available at the mid-career mark to Active-duty and active Reserve Service members enrolled in the BRS. It is payable between completion of 8 years of service, but before completion of 12 years of service.

Service members receive Continuation Pay in return for 4 additional years of obligated service.



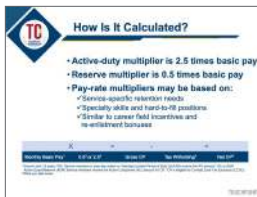
SLIDE 6

When Can a Member Receive It?

Currently, all services award Continuation Pay at 12 years of service from PEBD (pay entry basic date). You can request Continuation Pay at 11 years and 6 months of service.

Please pay close attention to the second bullet on this slide. You must elect it before your 12th year of service. This is an irrevocable election so if you miss this window of opportunity, it cannot be undone.

And finally, the money is actually paid on the first pay period following your 12th anniversary.



SLIDE 7

How Is It Calculated?

The calculations are different for active duty and Reserves. Currently the active-duty multiplier is 2.5 times basic pay and the Reserve multiplier is 0.5 times basic pay.

INSTRUCTOR NOTE: Review the current BRS Continuation Pay guidelines as published on <https://militarypay.defense.gov/BlendedRetirement/>.

	X	=	-	=
Monthly Basic Pay ¹	0.5 ² or 2.5 ³	Gross CP	Tax Withholding ⁴	Net CP ⁵

¹Amount over 12 years; ²RC. Service members in man-day orders or Voluntary Limited Period of Duty (VLPAD) receive the RC amount; ³AC or AGR. Active Guard/Reserve (AGR) Service members receive the Active Component (AC) amount for CP; ⁴CP is eligible for Combat Zone Tax Exclusion (CZTE); ⁵What you take home.

Multipliers: Active-duty range is 2.5 to 13 times monthly basic pay and Reserves range is 0.5 to 6 times monthly basic pay (as if serving on active duty). Other branches of service may use a different multiplier. The Navy reviews its multiplier every fiscal year.

Pay-rate multipliers may be based on service-specific retention needs, specialty skills and hard-to-fill positions, which are similar to career-field incentives and re-enlistment bonuses.

Why don't you take a minute to calculate your potential Continuation Pay?



SLIDE 8

How Is It Disbursed?

There are various options available for payout of Continuation Pay:

- One Installment** – Paid the first pay period after you start your 12th year of service.
- Two Equal Installments** – You'll receive the first installment the first pay period after you start your 12th year of service and the next installment will be paid the following year.
- Four Equal Installments** – You'll receive the first installment in the first pay period after you start your 12th year of service and the remainder in three equal annual installments.
- Continuation Pay is subject to tax withholding** – Review the IRS Tax Withholding Estimator to make sure the right amount of tax will be withheld from your paycheck.



SLIDE 9

Why Is It Being Offered?

As we talked about earlier, CP is part of the BRS benefit package and is essentially a retention tool. It acts as an incentive to retain experienced personnel.



SLIDE 10

Two Ways to Apply for Continuation Pay

INSTRUCTOR NOTE: Each uniformed service must document how a Service member applies for Continuation Pay and how the application is processed by their service.

Each branch of service has its own specific process to apply for Continuation Pay. Currently the Navy has two ways to apply:

1. Complete NAVPERS 1070/613 (Page 13) with your command career counselor
2. Elect through NSIPS (Navy Standard Integrated Personnel System)



SLIDE 11

Applying Through NSIPS

Here are the five steps to apply for Continuation Pay on NSIPS.

INSTRUCTOR NOTE: Remind Service members that electing CP is an irrevocable decision and it requires additional service obligation.

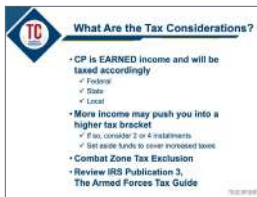


SLIDE 12

Financial Implications

There are certain financial implications to Continuation Pay that we will now discuss. Those include:

- The tax considerations
- The conditions or limitations of investing CP into the TSP
- Options for your CP
- Inability to meet your service obligations



SLIDE 13

What Are the Tax Considerations?

Continuation Pay is considered earned income and will be taxed accordingly for federal, state, and local taxes.

If taken in one installment, depending on your situation, it may move you into a higher tax bracket. If so, you might want to consider requesting 2 or 4 installments to lessen the tax burden in the year you receive it.

ASK: What happens in a combat zone?

If you elect to receive your Continuation Pay in a tax-free combat zone, it will also be tax-free.

Eligible Service members who serve in a combat zone can have income excluded from taxation by the IRS. CZTE is fully explained IRS Publication 3, "The Armed Forces Tax Guide," which is the authoritative source for all military-specific tax matters.



SLIDE 14

What Are the Conditions / Limitations of Investing CP into the TSP?

Remember, Continuation Pay is considered a special pay. It can be invested into the TSP; however, these funds are not matched.

Annual limits still apply for contributions (\$19,500 for 2020). You need to keep in mind how this affects your future contributions. Will Continuation Pay max you out for the year? If so, you will lose the match on future contributions until January 1 of the next year.

Keep in mind, if you are serving in a combat zone you are allowed an additional contribution amount (\$57,000 for 2020). However, the Roth contribution cannot exceed the annual limit (\$19,500 for 2020).



SLIDE 15

What Can You Do With Your CP?



INSTRUCTOR NOTE: Review the *Basic Investing, Spending Plan Worksheet, Sources of Help for Military Consumers, and Military Consumer Protection Handouts*. Encourage students to attend Developing Your Spending Plan and/or Saving and Investing classes at the local installation Family Support Center.

The choice is yours and should be based on your current financial situation. Take a thoughtful approach and make the most of this money. One great place to start is by reviewing your spending plan to get a sense of where your money is currently going.

Here are some options for your Continuation Pay (Refer to *Continuation Pay Handout*):

- Pay down debt
- Save for emergencies
- Invest for the future
- Make a major purchase
- Gift it



INSTRUCTOR NOTE: Go over the *Military Consumer Protection Handout*.

Unfortunately, scammers and dishonest businesses prey upon consumers, especially Service members with large sums of money to invest. So, it's important to be mindful of this and protect your hard-earned money.

What if You Don't Meet Your Service Obligations?



SLIDE 16

If you are unable to complete your service obligations, you **MUST** repay all or part of your Continuation Pay.

Taking the installment option may help alleviate this financial burden since you only have to pay back the portion you received instead of the full amount. It will be prorated for the number of years served.

But I'm sure none of you are going to take the Continuation Pay and not serve the full 4, right?



SLIDE 17

Summary

Finally, let's take our last couple of minutes together to review some of the important information we covered today.

We've discussed Continuation Pay Details, the Application Process and Financial Implications of how you choose to receive this benefit. Let's review the Resources available to assist you in making this important decision.

What questions do you have?



SLIDE 18

Resources

Please read through your Checklist and Handouts and refer back to them. They are a great resource to help navigate the financial decisions you'll need to make.

Remember you are not alone! You have many layers of support to help you learn more and make good financial decisions.

You can talk to your CFS at your unit or meet with a PFM and attend a class at your local installation Family Support Center. You can call Military OneSource or CG SUPRT for additional assistance. This is a great option for flexibility of scheduling since the call center has extended hours. You may also access the FINRED Sen\$e mobile app or the MyNavy Financial Literacy mobile app for assistance with a variety of personal finance issues.

Thank You!



SLIDE 19

Once again, congratulations on reaching this important career milestone. As you embark on the second half of your military career, make it a priority to improve your financial readiness. There are plenty of resources we touched on today that are available to assist you.

Certificates of completion are available if you need them, and can be collected before you leave the classroom but AFTER you finish filling out the assessment. Thanks everyone for participating.

CFS Preparation: Distribute and discuss the Continuation Pay checklist and accompanying handouts to support this video-based training course. Checklists and handouts can be found online at <https://finred.usalearning.gov/SPL/Training/NavyResource/TouchpointCurriculum>.

CFS Intro: Welcome to training. You are here today because you have a decision to make regarding your incentive pay titled Continuation Pay. The goal of today's discussion is to understand how Continuation Pay works and some important factors to consider as you make your decision.

Play Videos 1, 2 & 3

Discussion Questions



1. Introduction



2. BRS
Overview



3. Calculating
How Much CP
You May Receive

1. The Blended Retirement System consists of four parts. Were you aware of each component? Which parts of the BRS do you believe will benefit you?

CFS Talking Points:

- TSP Contributions — Your branch of service will contribute to your TSP account through automatic and matching contributions.
- BRS Pension — At 20 years of service, pension is 40% of base pay plus an incremental 2.0% per year (over 20) until year 30. BRS match stops at year 26.
- Lump Sum Retirement — Can receive lump sum payout in exchange for reducing monthly pension
- Continuation Pay — Lump sum payout made between 8-12 years of service with a service commitment of no less than 3 years

2. What major commitment should you consider when making your decision to accept or decline Continuation Pay?

CFS Talking Points: Will you meet the service obligation? Should you receive annual installments instead of a lump sum if you are unsure of your ability to meet the obligation? You may have to repay any unearned portion if you do not complete the service requirement.

Knowledge Check

Question: How much Continuation Pay will you receive?

Answer:

- Active duty = 2.5 to 13 times base pay
- Reservists = .5 to 6 times active duty base pay

PART 2

CFS Intro: Do you have any plans for continuation pay should you be eligible and choose to receive it? Let's look at some things to consider.

Play Videos 4 & 5

Discussion Question



4. Other CP Considerations

What plans do you have for your Continuation Pay if you choose to accept it?

CFS Talking Points: What financial goals do you have? Your spending plan as a part of your overall financial plan can guide you in making appropriate decisions with this income. Are you working on establishing an emergency fund or paying down debt? Are you looking to maximize your TSP — keeping in mind that maxing out too early can cause loss of matching? What are your thoughts on spending this incentive pay? Gifting these funds — as mentioned in the video — is another option that comes with tax benefits.



5. Your Goals, Spending Plan & CP

Play Video 6



6. How to Best Use Your CP

CFS Talking Points: Now that we have completed today's training on Continuation Pay, keep in mind this is an important choice that requires your attention and consideration. Be sure to contact the Installation Personal Financial Manager with questions and concerns so that you can feel confident in your decision.

CFS Note: Have Installation Personal Financial Manager's contact information to provide to participants.



Entitlement to Continuation Pay

Presentation





1


Agenda

- Continuation Pay Basics
- Application Process
- Financial Implications
- Resources

Entitlement to Continuation Pay Courseee Checklist Available

TOUCHPOINT

2




Continuation Pay Basics

- **What is Continuation Pay?**
- **Who is eligible to receive it?**
- **When can you receive it?**
- **Why is it being offered?**
- **How is it calculated and disbursed?**


TOUCHPOINT

3



What Is Continuation Pay?

- **Part of the Blended Retirement System (BRS)**
- **One-time, mid-career bonus at 12-year mark**
- **Paid in exchange for 4 years of additional service**
- **In addition to other career incentives and bonuses**
- **A retention tool**



Military Retirement and Continuation Pay Handouts Available

TOUCHPOINT

4



Who Is Eligible to Receive It?

- Active Duty or Active Reserve
- BRS participant
- Complete between 8 and 12 years of service, based on Pay Entry Base Date (PEBD)
- Agree to 4 years of additional service

TOUCHPOINT

5




When Can a Member Receive It?

- Can request at 11 years and 6 months
- Must elect before your 12th year and is an irrevocable election
- Paid on the 12th anniversary of Pay Entry Base Date (PEBD)

TOUCHPOINT

6



How Is It Calculated?

- Active-duty multiplier is 2.5 times basic pay
- Reserve multiplier is 0.5 times basic pay
- Pay-rate multipliers may be based on:
 - ✓ Service-specific retention needs
 - ✓ Specialty skills and hard-to-fill positions
 - ✓ Similar to career field incentives and re-enlistment bonuses

	X	=	-	=	
Monthly Basic Pay ¹	0.5 ² or 2.5 ³	Gross CP	Tax Withholding ⁴		Net CP ⁵

¹Amount over 12 years; ²RC. Service members in man-day orders or Voluntary Limited Period of Duty (VLPAD) receive the RC amount; ³AC or AGR. ⁴Active Guard/Reserve (AGR) Service members receive the Active Component (AC) amount for CP; ⁵CP is eligible for Combat Zone Tax Exclusion (CZTE); ⁶What you take home.

TOUCHPOINT

7




How Is It Disbursed?

You can choose to receive a one-time payment or spread your payments to potentially save on taxes

<p>One Installment Must elect before your 12th year and is an irrevocable election Paid the first pay period after you start your 12th year of service</p>	<p>Pick your installment plan Remember, CP is subject to tax withholding! Your payment choice may affect taxes owed. Review the IRS Tax Withholding Estimator.</p>
<p>Two Equal Installments First installment is paid the first pay period after you start your 12th year of service and the next installment is paid the following year</p>	
<p>Four Equal Installments First installment is paid the first pay period after you start your 12th year of service and remainder in three equal annual installments</p>	

TOUCHPOINT

8



Why Is It Being Offered?

- Part of BRS benefit package
- Retention tool

TOUCHPOINT



Two Ways to Apply for Continuation Pay


1 Complete NAVPERS 1070/613 with your command career counselor




2 Elect it through NSIPS



TOUCHPOINT



Applying Through NSIPS




- 1 Verify Continuation Pay eligibility in NSIPS (Continuation Pay Tab)**
 - ✓ First day to elect is 11 years 6 months after PEBD
 - ✓ Election must be made prior to entering the first day of the 12th year of service
- 2 View / Print Continuation Pay Notification Letter**
- 3 Indicate CP Election (Yes or No)**
- 4 If elected, select payment option**
 - ✓ Single Lump-sum Payment
 - ✓ Two Annual Payments (50%)
 - ✓ Four Annual Payments (25%)
- 5 Save**

Note: If a Sailor is unsure of the amount of Continuation Pay they will be paid at 12 YOS, it is recommended they contact their Command Career Counselor or Command Financial Specialist.

TOUCHPOINT

11



Financial Implications

- **What are the tax considerations?**
- **What are the conditions / limitations of investing CP into the TSP?**
- **What can you do with your CP?**
- **What if you don't meet your service obligations?**

TOUCHPOINT

12



What Are the Tax Considerations?

- **CP is EARNED income and will be taxed accordingly**
 - ✓ Federal
 - ✓ State
 - ✓ Local
- **More income may push you into a higher tax bracket**
 - ✓ If so, consider 2 or 4 installments
 - ✓ Set aside funds to cover increased taxes
- **Combat Zone Tax Exclusion**
- **Review IRS Publication 3, The Armed Forces Tax Guide**

TOUCHPOINT

13



What Are the Conditions / Limitations of Investing CP into the TSP?

- **Considered a special pay (bonus)**
- **Can be invested into TSP**
 - ✓ There are no matching funds
- **Annual limits still apply (\$19,500 for 2020)**
 - ✓ Maxing out early loses match on future contributions
 - ✓ Matching contributions stop until January 1
- **Combat Zone Tax Exclusion allows up to \$57,000 for 2020**

TOUCHPOINT

14



What Can You Do With Your CP?


- **Take a thoughtful approach**
 - ✓ Update your spending plan
 - ✓ Revisit your financial goals
 - Pay down debt
 - Save for emergencies
 - Invest for the future
 - Make a major purchase
 - Gift it
- **Beware of misleading consumer practices**
 - ✓ Review *Sources of Help for Military Consumers*
 - ✓ Protect yourself against identity theft, scams and frauds



Basic Investing, Spending Plan Worksheet, Sources of Help for Military Consumers, and Military Consumer Protection Handouts Available

TOUCHPOINT

15




What if You Don't Meet Your Service Obligations?

- **You must repay all or part of your Continuation Pay**
- **Installment options can help alleviate this financial burden**

TOUCHPOINT

16



Summary

Congratulations on reaching this important milestone!

Let's recap what you learned to help in decision making as you approach eligibility for Continuation Pay:



- ✓ **Continuation Pay Basics**
- ✓ **Application Process**
- ✓ **Financial Implications**

TOUCHPOINT

17




Resources

- **Checklist and Handouts**
- **Financial Education and Support**
 - ✓ Command Financial Specialists (CFS)
 - ✓ Personal Financial Managers (PFM)
 - ✓ Installation Family Support Center or Health, Safety, Work-Life (HSWL) Regional Practice
 - ✓ Relief Societies
 - ✓ Military OneSource or CG SUPRT
- **Financial Literacy Mobile Apps**
 - ✓ MyNavy Financial Literacy 
 - ✓ Sen\$e 

TOUCHPOINT

18



TC
TOUCHPOINT
CURRICULUM

Thank You!

The appearance of U.S. Department of Defense (DoD) visual information does not imply or constitute DoD endorsement.

TOUCHPOINT